

# Original Application

Woodridge of West TN,  
LLC

CN1703-011

**Woodridge of West Tennessee, LLC**

Addition of 16 geriatric beds to Oak Hills Behavioral Center

Certificate of Need Application

March 13, 2017



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

2017-04-04 10:17 AM

## CERTIFICATE OF NEED APPLICATION

### SECTION A: APPLICANT PROFILE

#### 1. Name of Facility, Agency, or Institution

Woodridge of West Tennessee, LLC  
Name

49 Old Hickory Blvd.  
Street or Route

Madison  
County

Jackson  
City

TN  
State

38305  
Zip Code

Website address: [www.woodridgecare.com](http://www.woodridgecare.com)

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

#### 2. Contact Person Available for Responses to Questions

Greg Sassman  
Name

Chief Executive Officer  
Title

Oak Hills Behavioral Center  
Company Name

[gsassman@woodridgecare.com](mailto:gsassman@woodridgecare.com)  
Email address

49 Old Hickory Blvd.  
Street or Route

Jackson TN 38305  
City State Zip Code

employee  
Association with Owner

731-668-7073  
Phone Number

731-668-3073  
Fax Number

**NOTE:** **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care.

Please answer all questions on 8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment

**A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

### **3. SECTION A: EXECUTIVE SUMMARY**

#### **A. Overview**

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

*The applicant, Woodridge of West Tennessee, LLC (“WWT”), is seeking to expand its existing mental health hospital in order to serve more geriatric patients. WWT is a wholly-owned subsidiary of Woodridge Behavioral Care, LLC (“Woodridge”), headquartered in Madison, Tennessee. Woodridge is a behavioral health care provider bringing a broad range of integrated services to the communities it serves. Woodridge has residential treatment centers, group homes, and acute care hospitals for children and adolescents in Jackson, TN, West Memphis, AR, Forrest City, AR, Waynesville, MO, and Springdale, MO. Woodridge has a total of 295 licensed beds for children in its residential treatment centers, acute care hospital, and group homes. Woodridge’s psychiatric treatment centers and hospitals offer treatment of geriatric patients having difficulty with psychiatric and emotional issues, and co-occurring disorders.*

*Woodridge currently owns and operates Madison Oaks Academy and Oak Hills Behavioral Center (“Oak Hills”) in Jackson. The facilities are on the same campus, which was formerly Regional Hospital of Jackson, an acute care hospital. The proposed project will be in a currently unused wing of the same building. Madison Oaks is a residential treatment center for adolescents with behavioral disorders that opened in 2007. Oak Hills is an inpatient psychiatric hospital with 16 operational beds serving geriatric patients and 16 CON-approved beds that will serve pediatric patients. Oak Hills received a Certificate of Need in 2013 and admitted its first patient in April of 2015. WWT proposes to add 16 beds to Oak Hills to serve additional geriatric psychiatric patients. For the last 6 months, Oak Hills has averaged 80% occupancy. Given the aging population of the service area and the increased awareness of the importance of psychiatric care, WWT expects that demand for these services will only increase.*

*The Madison Oaks/Oak Hills building is a former hospital and is large enough to accommodate the full continuum of care of psychiatric services beyond the programs currently in place. The adolescent residential program occupies the second level of the building; the geriatric psychiatric unit occupies one nursing unit on the first floor of the building; the future pediatric unit will occupy one nursing unit on the first floor, leaving 2 unoccupied nursing units on the first floor. WWT proposes to add a second geriatric unit (“Additional Unit”) in one of the 2 available nursing units to address the needs of the geriatric population in the Jackson, Tennessee market area. The proposed unit will be adjacent to the existing unit, creating a 32-bed geriatric unit. WWT will renovate approximately 6,820 square feet of space to meet current standards.*



*Jackson and the surrounding counties do not have sufficient geriatric, psychiatric beds. The state health plan shows a need for 35.4 geriatric beds. There are currently 32 beds in the service area. With the proposed project, Woodridge is trying to eliminate barriers to care for this specialty population – disadvantaged elderly residents with mental health problems. The applicant proposes to add more beds than the guidelines show are needed because, in its experience, the guidelines understate the need for geriatric, psychiatric services. Additionally, it is more practical to add a full unit because of the layout of the hospital.*

*The typical support services and hotel services needed to operate the Additional Unit are already available within the facility supporting the existing units. Local physicians and acute care hospitals are immediately available to Oak Hills for unexpected medical needs of patients.*

*Future plans for the Madison Oaks/Oak Hills campus may include the addition of an acute adult psychiatric service and an acute detox and chemical dependency treatment unit. WWT plans to add a partial hospitalization program to the geriatric program in 2017. After WWT began treating the geriatric population it became clear that only one aspect of treatment was not sufficient. The organization quickly identified the need for a broader continuum of care. The outpatient program will be designed to support patients in their recovery, either after an acute hospitalization or in an attempt to avoid an acute hospitalization episode.*

2) Ownership structure;

*Please see Attachment A.3.A.(2).*

3) Service area;

*The service area includes Madison, Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, McNairy, Obion, and Weakley Counties.*

4) Existing similar service providers;

*The following facilities in the service area provide inpatient, geriatric, psychiatric care:*

- *Behavioral Healthcare Center at Martin*
- *Pathways of Tennessee*
- *Western Mental Health Institute<sup>1</sup>.*

5) Project cost;

*The Project cost is \$207,490.*

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<sup>1</sup> *Pathways and WMHI are primarily adult facilities. They do not have a designated geriatric unit and treat very few geriatric patients.*

6) Funding;

*The Project will be funded by the parent company's revolving line of credit with Bank of Montreal.*

7) Financial Feasibility including when the proposal will realize a positive financial margin; and

*The Project is financially feasible. Because the project only involves renovation of existing hospital space, construction costs will be minimal. All patients will be geriatric patients; therefore, virtually all will have the ability to pay for services, either through Medicare or commercial insurance. The project will realize a positive financial margin in year 1 (2018).*

8) Staffing.

*A total of 20 FTEs will be required to operate the Additional Unit, including 18 clinical FTEs and 2 non-clinical FTEs.*

**B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

1) Need;

*The existing 16 bed inpatient geriatric psychiatric program provides services fulfilling the unique needs and requirements of a specialty high-need population, specifically the rapidly increasing geriatric population in the defined service area and therefore should receive special consideration.*

*Oak Hills Behavioral Center ("Oak Hills") has consistently exceeded 80% occupancy over the prior 6 month period of Aug. 2016 – Jan. 2017. There is growing need in the identified service area for additional capacity to service the specialty psychiatric needs of the geriatric population. The geriatric population in the service area is expected to increase significantly over the next few years. In year 2016 the geriatric population, defined as persons age 65 or older, comprised 18.6% of the total population of the defined service area. By the year 2020 the geriatric segment of the total population within the defined service area is forecasted to increase to 21.0%. Currently, there are only 32 dedicated geriatric beds in the service area, and 16 of those beds are 1.5 hours from Jackson, in Martin, TN. Because of the lack of beds, some patients still have to seek care in Memphis or Nashville. The travel time and distance can impose a hardship on geriatric patients and their families in obtaining the necessary care.*

*There are 4 providers of inpatient psychiatric services in the service area: Western Mental Health Institute, Pathways Behavioral Health Services, Behavioral Healthcare Center at Martin, and the applicant. Both WMHI and Pathways are general adult facilities. They do not have dedicated geriatric beds, and each of those facilities reported only minimal geriatric utilization – approximately 2% on*

*inpatient days on their most recent Joint Annual Reports. In fact, Pathways refers its geriatric patients to Oak Hills. Behavioral Healthcare Center at Martin has 16 geriatric beds. Its most recent JAR showed average occupancy of 62%. In contrast, for the most recent 6 months, Oak Hills has had average occupancy of over 80%. This includes numerous days on which Oak Hills was at or near full capacity.*

*The 2016 population of the service area is 110,874, which shows a need for 33.26 beds in the service area. The 2018 population projection is 117,964, which shows a need for 35.39 beds. It is forecasted that by 2020, the geriatric population (persons 65+) will grow to exceed 21.0%, 101,915. While the current formula does not show a need for 16 additional geriatric beds, the guidelines contemplate situations in which the formula does not capture the true need – such as the case of a specialty population, like pediatric or geriatric patients. The vast majority of patients served by Oak Hills come from the Jackson, TN and surrounding area. Martin TN is located about 1.5 hour drive north of Jackson, TN. A 1.5 hour drive is a hardship on patients and families.*

## **2) Economic Feasibility;**

*The estimated cost for the 16-bed expansion is \$207,490. Adequate funds are available for the applicant to complete the project. The project will be funded by the parent company's revolving line of credit from Bank of Montreal. The space already exists in the building and is adjacent to the existing Oak Hill hospital 16 bed space. The expansion space was renovated when the existing Oak Hills hospital space was renovated, as such, it needs only minor changes to be ready for patients.*

## **3) Appropriate Quality Standards; and**

*The project will meet or exceed all quality of care standards. Oak Hills is licensed by the State of Tennessee Department of Mental Health and Substance Abuse Services. The existing geriatric psychiatric unit is Joint Commission accredited. Woodridge strives to provide the highest level of care to each patient and family served – implementing research and evidence-based treatment programs to provide the best possible outcome.*

## **4) Orderly Development to adequate and effective health care.**

*This expansion project of Oak Hills will contribute to the orderly development of adequate and effective health care in the defined service area. Over the prior 6 month period Oak Hills has consistently operated in excess of 80% occupancy. The geriatric population of the defined service area is forecasted to expand to in excess of 21% of the service area total population. Expansion of services at the existing provider, Oak Hills is the most orderly development to meet this expanding need. The space already exists in the building and is adjacent to the existing 16 bed program. The existing hospital opens into the designated expansion space which was renovated previously when the existing Oak Hills hospital space was renovated.*

## **C. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

#### 4. SECTION A: PROJECT DETAILS

##### Owner of the Facility, Agency or Institution

A. Woodridge of West Tennessee, LLC 615-860-9230  
Name Phone Number  
162 Cude Lane Davidson  
Street or Route County  
Madison TN 37115  
City State Zip Code

##### B. Type of Ownership of Control (Check One)

A. Sole Proprietorship	_____	F. Government (State of TN or	_____
B. Partnership	_____	Political Subdivision)	
C. Limited Partnership	_____	G. Joint Venture	_____
D. Corporation (For Profit)	_____	H. Limited Liability Company	<u>X</u>
E. Corporation (Not-for-Profit)	_____	I. Other (Specify)	_____

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. Attachment Section A-4B.

**Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

##### 5. Name of Management/Operating Entity (If Applicable)

N/A  
Name  
  
\_\_\_\_\_ \_\_\_\_\_  
Street or Route County  
  
\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_  
City State Zip Code  
Website address: \_\_\_\_\_

**For new facilities or existing facilities** without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. Attachment Section A-5.

**6A. Legal Interest in the Site of the Institution (Check One)**

- |                                 |                   |                    |                   |
|---------------------------------|-------------------|--------------------|-------------------|
| A. Ownership                    | <u>  X  </u>      | D. Option to Lease | <u>          </u> |
| B. Option to Purchase           | <u>          </u> | E. Other (Specify) | <u>          </u> |
| C. Lease of <u>      </u> Years | <u>          </u> |                    |                   |

**Check appropriate line above:** For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

*A copy of the deed is attached as Attachment A.6.A.*

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 1/2" x 11" sheet of white paper, single or double-sided. DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.**

- 1) Plot Plan **must include**:
  - a. Size of site (*in acres*);
  - b. Location of structure on the site;
  - c. Location of the proposed construction/renovation; and
  - d. Names of streets, roads or highway that cross or border the site.
- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 1/2 by 11 sheet of paper or as many as necessary to illustrate the floor plan.
- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

*Oak Hills is located in the central Jackson area. It is next to two major highways (45 and 412) and Interstate 40. Bus transportation is available throughout Jackson. See Attachment 6B-3.*

*Attachments A.6.B.(1), A.6.B.(2), and A.6.B.(3).*

**7. Type of Institution (Check as appropriate--more than one response may apply)**

- |   |   |
|---|---|
| A. Hospital (Specify) _____   | H. Nursing Home _____   |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____ | I. Outpatient Diagnostic Center _____                           |
| C. ASTC, Single Specialty _____                                       | J. Rehabilitation Facility _____                                |
| D. Home Health Agency _____   | K. Residential Hospice _____                                    |
| E. Hospice _____  | L. Nonresidential Substitution-Based Treatment Center for _____ |
| F. Mental Health Hospital <u>X</u>                                    | Opiate Addiction _____  |
| G. Intellectual Disability _____                                      | M. Other (Specify) _____  |
| Institutional Habilitation Facility _____                             |   |
| ICF/IID _____   |   |

Check appropriate lines(s).

**8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)**

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| A. New Institution _____           | F. Change in Bed Complement <u>X</u>  |
| B. Modifying an ASTC with _____    | [Please note the type of change       |
| C. Addition of MRI Unit _____      | by underlining the appropriate        |
| D. Pediatric MRI _____             | response: <u>Increase</u> , Decrease, |
| E. Initiation of Health Care _____ | Designation, Distribution,            |
| Service as defined in T.C.A. _____ | Conversion, Relocation]               |
| §68-11-1607(4) (Specify) _____     | G. Satellite Emergency Dept. _____    |
|                                    | H. Change of Location _____           |
|                                    | I. Other (Specify) _____              |

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts [Check all that apply]

X AmeriGroup X United Healthcare Community Plan X BlueCare \_\_\_\_TennCare Select

Medicare Provider Number 444023

Medicaid Provider Number 210599125

Certification Type hospital

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare \_\_Yes \_\_No \_\_N/A Medicaid/TennCare \_\_Yes \_\_No \_\_N/A

# 10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical						
2) Surgical						
3) ICU/CCU						
4) Obstetrical						
5) NICU						
6) Pediatric						
7) Adult Psychiatric						
8) Geriatric Psychiatric	16	16	16			32
9) Child/Adolescent Psychiatric	0	0		16		16
10) Rehabilitation						
11) Adult Chemical Dependency						
12) Child/Adolescent Chemical Dependency						
13) Long-Term Care Hospital						
14) Swing Beds						
15) Nursing Home – SNF (Medicare only)						
16) Nursing Home – NF (Medicaid only)						
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)						
18) Nursing Home – Licensed (non-certified)						
19) ICF/IID						
20) Residential Hospice						
<b>TOTAL</b>	16	16	16	16		48

\*Beds approved but not yet in service

\*\*Beds exempted under 10% per 3 year provision

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services. *The applicant proposes to add 16 beds. This addition will not affect any existing services because the space is currently unused.*

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below. N/A

<u>CON Number(s)</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
CN1610-037	2/22/19	16

**11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:**

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



## 12. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Additional Geriatric Unit	NA	NA	NA	NW Wing of 1 <sup>st</sup> floor	6820	0	6820
Unit/Department GSF Sub-Total					6820	0	6820
Other GSF Total					0	0	0
Total GSF					6820	0	6820
*Total Cost					\$147,490.00	0	\$147,490.00
**Cost Per Square Foot					\$21.60		\$21.60
<p>Cost per Square Foot Is Within Which Range            (For quartile ranges, please refer to the Applicant's Toolbox on <a href="http://www.tn.gov/hsda">www.tn.gov/hsda</a> )</p>					<input checked="" type="checkbox"/> Below 1 <sup>st</sup> Quartile  <input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile  <input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile  <input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input type="checkbox"/> Below 1 <sup>st</sup> Quartile  <input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile  <input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile  <input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input checked="" type="checkbox"/> Below 1 <sup>st</sup> Quartile  <input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile  <input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile  <input type="checkbox"/> Above 3 <sup>rd</sup> Quartile

\* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

\*\* Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

### 13. MRI, PET, and/or Linear Accelerator

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
  2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:
- A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev _____ Types: _____	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
	Total Cost*: _____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished	
<input type="checkbox"/> MRI	Tesla: _____ Magnet: _____ <input type="checkbox"/> Breast <input type="checkbox"/> Extremity <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other _____	<input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
	Total Cost*: _____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished	
<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI	<input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
	Total Cost*: _____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished	

\* As defined by Agency Rule 0720-9-.01(13)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.
- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.
- D. Schedule of Operations:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site (Applicant)	_____	_____
Mobile Locations (Applicant)	_____	_____
(Name of Other Location)	_____	_____
(Name of Other Location)	_____	_____

- E. Identify the clinical applications to be provided that apply to the project.
- F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

### **QUESTIONS**

#### **NEED**

1. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

##### **1. Determination of Need**

Please complete the following table to determine psychiatric bed need (1).

	<b>Population 2020</b>	<b>Gross Need Pop. X (30 beds/100,000)</b>	<b>Current licensed beds</b>	<b>Net Need</b>
<i>Proposed Service Area</i>	125,742	38	32	6

##### **2. Additional Factors**

- a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

*The applicant will accept emergency involuntary and non-emergency indefinite admissions.*

- b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

*The applicant will serve the TennCare population and the indigent population. The applicant does not anticipate significant amounts of charity or indigent care for the project because the project will serve geriatric patients, the vast majority of whom are*

*insured either by Medicare or commercial insurance. The applicant is committed to serving all patients who need care.*

- c. The number of beds designated as “specialty” beds (including units established to treat patients with specific diagnoses);  
*The applicant will not have specialty beds, beyond the fact that the unit will only treat geriatric patients.*
- d. The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;  
*The applicant works closely with existing community resources, including Jackson-Madison County General Hospital, Pathways, and primary care physicians. The community does not current have intensive outpatient treatment or partial hospitalization, but the applicant plans to add a partial hospitalization program in 2017. The addition of these beds will support the partial hospitalization program.*
- e. Psychiatric units for patients with intellectual disabilities;  
*The applicant will serve patients with intellectual disabilities. Patients with an IQ under 70 will be evaluated on a case-by-case basis to ensure that the applicant can provide appropriate care for the patient. The applicant will not accept patients for whom it cannot provide optimal care.*
- f. Free standing psychiatric facility transfer agreements with medical inpatient facilities;  
*The applicant has a transfer agreement with Jackson-Madison County General Hospital, which is located less than two miles from the applicant’s facility.*
- g. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and  
*The applicant will treat patients with co-occurring chemical dependency, as long as the primary diagnosis is psychiatric. The applicant will treat patients will medical co-morbidities if appropriate. The applicant will not treat patients for whom it cannot provide optimal care. For patients with medical co-morbidities who cannot be appropriately treated at the applicant’s facility, the applicant will work closely with Jackson-Madison County General Hospital to ensure that the applicant receives appropriate care.*
- h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.  
*The applicant’s treatment programs and staffing patterns are based on national best practices and guidance from the applicant’s medical directors. Average length of stay for geriatric psychiatric patients is approximately 14 days, during which time the acute crisis has been stabilized. Generally, after such time, a different setting and type of treatment is more appropriate. The unit will be under the medical direction of a psychiatrist. The*

*facility will have licensed, master-level therapists, registered nursing staff, patient care technicians, and a wide variety of support personnel. The unit will have PRN staffing available in the event that a physician determines that a patient needs one-to-one staffing. The applicant has experience in providing acute services and is confident in its ability to align staffing and treatment needs in the most efficient and effective manner.*

- i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

*The state mental health hospitals serve very few geriatric patients, so this project will not serve patients who otherwise might have been treated by a state mental health hospital. The applicant will work closely with the TDMHSAS to ensure that all geriatric patients who need care receive it.*

- j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

*The service area does not have a geriatric crisis stabilization unit. Pathways is a general adult crisis stabilization unit.*

### **3. Incidence and Prevalence**

The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance abuse within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

*TDMHSAS data show that Region 6 had a higher rate of mental illness and a higher rate of serious mental illness than the state and national averages. The data are for all adults; there is not separate data for the geriatric population. For any mental illness, Region 6 had a rate of 21.4%. The state average was 21.1%, and the national average was 18%. For serious mental illness, Region 6 had an average of 4.8%. The state average was 4.3%, and the national average was 4%.*

### **4. Planning Horizon**

Please address the planning Horizon criterion by using 2016 and 2020 population statistics.

*The projected geriatric population of the service area in 2016 is 110,874, which shows a need for 33 beds under the guidelines. The projected geriatric population of the service area in 2020 is 125,742, which shows a need for 38 beds under the guidelines.*

### **5. Establishment of the Service Area**

The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic

minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

Applicants should be aware of the Bureau of TennCare's access requirement table, found under "Access to Behavioral Health Services" on pages 93-94 at <http://www.tn.gov/assets/entities/tenncare/attachments/operationalprotocol.pdf>.

*The applicant's service area is based on its historical utilization. The facility is within 90 miles of 90% of its patients. The service area is poorer and has a larger percentage of minority residents than the state average. It is especially important for these patients to have access to care closer to home.*

#### **6. Composition of Services**

Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a DON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

The composition of population serviced, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

*The proposed unit will only serve geriatric patients. Oak Hills has an existing geriatric unit and an approved, but not yet operational, pediatric unit. The applicant anticipates that most patients will have insurance coverage either via Medicare or commercial insurance, but the applicant is committed to serving all who need service and will provide charity care as needed.*

#### **7. Patient Age Categorization**

Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

*The applicant will serve geriatric patients. Staff and physicians will have appropriate backgrounds and training in geriatric psychiatric care. Because this project is an expansion of an existing unit, current staff at Oak Hills have experience treating geriatric patients. Treatment programs will be based on national best practices.*

#### **8. Services to High-Need Populations**

Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

*The applicant will take involuntary commitments and will treat patients who are uninsured or low-income. As noted above, the applicant anticipates that the vast majority of patients will have insurance coverage either via Medicare or commercial insurance.*

**9. Relationship to Existing Applicable Plans; Underserved Area and Populations**

The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered.

*There are limited geriatric services in the service area. The applicant will accept both voluntary and involuntary admission. The project will only provide acute care. The applicant will work with patients in need of longer term care to find the most appropriate setting for that patient. The project will not affect any state mental health hospitals because the state mental health hospitals treat very few geriatric patients.*

**10. Expansion of Established Facility**

Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

*The applicant has had utilization of more than 80 percent for the previous 6 months. The existing unit has been open for fewer than two years and Joint Commission accredited for approximately 18 months, so the applicant has not had 80 percent utilization for a full year. The applicant has had 83.1 percent utilization for the first two months of 2017. In January and February, Oak Hills had \_\_\_ days at capacity. The service area population is aging, and the applicant anticipates increased need for these services.*

**11. Licensure and Quality Considerations**

Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LGBT population).

*The facility is licensed by the Department of Mental Health and Substance Abuse Services and accredited by the Joint Commission. Patients will be appropriately*

*segregated by gender for both sleeping and bathing. The applicant only uses physical restraints as a last resort and has appropriate management techniques including quiet spaces. The parent organization is attuned to the need for culturally competent staff and has a training program in place that addresses culturally competent care. This training will be included in the training for staff at this unit. The organization is also sensitive to the cultural mix of staffing patterns and tries to ensure a variety of race, gender, and beliefs in an attempt mirror the communities in which it provides services. The applicant follows national best practices for providing culturally competent care, including for minority and LGBT patients.*

#### **12. Institute For Mental Disease Classification**

It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criterial and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

*The facility is not classified as an IMD because it only treats pediatric and geriatric patients.*

#### **13. Continuum of Care**

Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission, that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

*The applicant has a transfer agreement and works closely with Jackson-Madison County General Hospital to provide care for patients who need medical care beyond what the facility can provide. JMCGH is only 1.5 miles from the facility.*

#### **14. Data Usage**

The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

*The applicant has utilized such data in preparing this application.*

#### **15. Adequate Staffing**

An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are



available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

*The applicant has a robust training and recruitment plan. The parent company has an established orientation and mentoring/shadowing program in place. This plan helps to ensure the best care delivery is provided to the patients, and it also helps with retention. The organization is Joint Commission accredited and will continue to adhere to all competency based training as outlined in the standards of elements performance. Competency training will be confirmed via training with post-test performance, direct observation of the skill by a supervisor, or return demonstration of the skill. The location of the site provides a large staffing pool from which to recruit and hire. Jackson has six local colleges and universities, including: Jackson State Community College, Lambuth University, Lane College, Tennessee Technology Center – Jackson, Union University, and West Tennessee Business College. The hiring process for the organization is in-depth and includes a wide variety of background checks, including, but not limited to, an internal check, child protective services check, adult protective services check, police background check, and in some cases fingerprint checks. These checks are in place in an effort to ensure that the most thorough research is completed so that only quality staff are hired. The organization is also a drug free workplace and tests its employees randomly.*

*Due to the small number of beds in the unit, the unit would only have the need for two physicians: a psychiatrist, and a general internist. The applicant would not be opposed to the use of physician extenders should the provider utilize this service delivery plan, and of course there would be back up coverage for each physician. The applicant is well-versed in the assessment of staffing needs. The registered nurses would work 12-hour shifts and the patient care technicians would work 8-hour shifts. The staffing plan would be a minimum of one registered nurse and a minimum ratio of 1:5 patient care technicians. The applicant would give consideration to the following: age, gender, acuity of the assessed patient needs, possible size, as well as diagnosis. Should the needs of the unit require additional staff the registered nurse would be in close communication with the Director and staffing patterns would be adjusted as needed.*

#### **16. Community Linkage Plan**

The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g., agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

*The applicant works closely with Jackson-Madison County General Hospital and Pathways, the adult, inpatient psychiatric hospital in Jackson. The parties are working together to increase options for psychiatric care in the service area. Letters of support are included in this application.*

**17. Access**

The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11/.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed service area.

*The applicant is committed to serving all patients who need psychiatric care. Currently, there are only 32 geriatric inpatient beds in the service area, 16 of which are 1.5 hours away from Jackson. As the population ages, there will be increasing need for inpatient beds.*

**18. Quality Control and Monitoring**

The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

*The applicant is licensed by the TDMHSAS and accredited by the Joint Commission. The proposed unit will continue to meet all quality standards.*

**19. Data Requirements**

Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all need information.

*The applicant will provide all reasonably requested information to the relevant state agencies.*

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

*The applicant has long range plans to provide more psychiatric services on the Madison Oaks / Oak Hills campus, including adult acute services and chemical dependence services. The same campus already includes one geriatric psychiatric unit, which was approved in 2013 and opened in 2015, and an adolescent residential treatment center. The Agency recently approved a pediatric unit that will open in the fall of 2017.*

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates

to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. *The proposed service area is reasonable. It is based on historical utilization and projected growth in the geriatric population of west Tennessee. The service area does not include any counties in border states.* **Attachment – Section – Need-3.**

Please complete the following tables, if applicable:

**Historical Utilization-County Residents**

<b>Service Area Counties</b>	<b>2015 (facility opened 4/15)</b>	<b>2016</b>	<b>2017 (Jan-Feb.)</b>
Benton	1	2	2
Carroll	3	7	1
Chester	6	9	2
Crockett	1	10	4
Dyer	4	15	1
Decatur	2	2	2
Fayette		2	
Gibson	14	47	15
Hardeman	6	17	4
Hardin	4	8	1
Haywood	2	6	1
Henderson	2	12	3
Henry		2	
Lake	1	7	1
Lauderdale	3	5	
McNairy	2	11	2
Madison	32	94	17
Obion	1	4	4
Weakley	2	5	2
<b>Total</b>	<b>86</b>	<b>265</b>	<b>62</b>

**Projected Utilization-County Residents**

<b>Service Area Counties</b>	<b>(Year 1 – 2018)</b>
Benton	3
Carroll	3
Chester	7
Crockett	6
Dyer	4
Decatur	1
Fayette	2
Gibson	43

Hardeman	8
Hardin	1
Haywood	2
Henderson	11
Henry	2
Lake	5
Lauderdale	2
McNairy	6
Madison	95
Obion	6
Weakley	2
<b>Total</b>	<b>209</b>

4. A. 1) Describe the demographics of the population to be served by the proposal.

*This project will serve geriatric residents who need inpatient psychiatric care. The population of the service area is poorer and more rural than much of Tennessee. The proposed project will increase the number of patients who can be served in the service area.*

- 2) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics						
	Total Population- Current Year <sup>2</sup>	Total Population- Projected Year	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population- % Change	Target Population Projected Year as % of Total
Madison County	103,234	104,799	1.5	16,281	17,546	7.8%	16.7%
Benton County	16,672	16,711	0.2	4,115	4,331	5.2%	25.9%

<sup>2</sup> 2015

Carroll County	28,380	28,298	-0.3	5,992	6,217	3.8%	22%
Chester County	18,260	18,633	2	3,171	3,394	7.0%	18%
Crockett County	14,884	14,982	0.7	2,808	2,932	4.4%	19.6%
Decatur County	11,963	12,029	0.6	2,930	3,092	5.5%	25.7%
Dyer County	39,306	39,607	0.8	6,853	7,239	5.6%	18.3%
Fayette County	44,637	46,608	4.4	8,731	9,885	13.2%	21.2%
Gibson County	51,394	51,934	1.1	9,391	9,794	4.3%	18.9%
Hardeman County	27,283	27,284	0	4,636	4,889	5.5%	17.9%
Hardin County	26,557	26,680	0.5	5,990	6,337	5.8%	23.8%
Haywood County	18,410	18,274	-0.7	3,077	3,343	8.6%	18.3%
Henderson County	29,349	29,836	1.7	5,237	5,565	6.3%	18.7%
Henry County	33,439	33,771	1.0	7,928	8,438	6.4%	25%
Lake County	8,299	8,441	1.7	1,280	1,337	4.5%	15.8%
Lauderdale County	28,658	28,930	0.9	4,084	4,324	5.9%	14.9%
McNairy County	27,179	27,486	1.1	5,630	5,960	5.9%	21.7%
Obion County	31,692	31,625	-0.2	6,336	6,571	3.7%	20.1%
Weakley County	36,066	36,300	0.6	6,404	6,770	5.7%	18.7%
Service Area Total	595,662	602,228	0.7	110,874	117,964	6.4%	18.4%
State of TN Total	6,812,005	6,962,031	2.2	1,091,516	1,175,143	7.7%	16.7%

Demographic Variable/ Geographic Area	Bureau of the Census <sup>3</sup>				TennCare	
	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees <sup>4</sup>	TennCare Enrollees as % of Total
Madison County	37.6	\$42,544	19,265	19.6%	25,836	25.0
Benton County	46.1	\$33,240	3,759	22.8%	4,319	25.9
Carroll County	42.6	\$35,508	5,897	20.8%	8,176	28.8
Chester County	37.2	\$40,167	3,717	21.7%	4,101	22.5
Crockett County	39.7	\$35,464	2,902	19.9%	4,084	27.4
Decatur County	45.3	\$37,263	2,540	21.6%	3,123	26.1
Dyer County	40.3	\$42,468	6,824	17.8%	11,312	28.8
Fayette County	43.7	\$54,890	5,339	13.9%	7,224	16.2
Gibson County	40.4	\$38,457	9,290	18.7%	13,884	27.0
Hardeman County	39.8	\$31,801	6,759	24.8%	7,421	27.2
Hardin County	44.8	\$35,290	6,064	23.3%	7,593	28.6
Haywood County	39.9	\$34,182	4,283	22.8%	5,948	32.3
Henderson County	40.7	\$38,745	5,970	21.5%	7,571	25.8
Henry County	44.9	\$38,234	5,981	18.5%	8,360	25.0
Lake County	40.3	\$30,086	2,115	27.0%	2,310	27.8
Lauderdale County	37.1	\$30,281	7,426	26.7%	8,326	29.0
McNairy County	42.6	\$32,557	5,398	20.7%	7,979	29.4
Obion County	42.1	\$40,281	6,552	20.6%	8,443	26.6
Weakley County	36.9	\$37,037	6,689	19.1%	7,689	21.3
Service Area Total	41.2	\$37,289	116,770	21.1%	153,699	25.8%
State of TN Total	38.4	\$45,219	1,116,914	17.6%	1,542,563	22.6

*\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for*

<sup>3</sup> 2015 American Community Survey

<sup>4</sup> As of January 2017

child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

*The project will serve geriatric patients from a service area that is poorer than the state average. Increasing the number of inpatient geriatric psychiatric beds in Madison County will increase the number of residents who can be served closer to home, rather than having to travel to receive care. Additionally, the service area has a higher percentage of minority residents than the state average, averaging 38.2% minority residents in the service area versus 21.3% for the state as a whole.*

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project: List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

*2013-2015 Geriatric Service Area Acute Care Hospitals Licensed Bed Occupancy*

Provider	County	Patient Days			Occupancy Rate		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	46,855 (1,600 geriatric)	43,483 (1,301 geriatric)	47,895 (1,276 geriatric)	85%	79%	87%
Pathways	Madison	3,245 (85 geriatric)	3,706 (61 geriatric)	2,959 (39 geriatric)	36%	36%	32%
Behavioral Health Center at Martin	Weakley	3,455	4,274	4,278	62%	75%	75%

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions. *The applicant projected utilization based upon the best data available to it, including the Department of Health and Human Services' data on hospitalization rates (See Attachment B.Need.6.), historical utilization, experience in other markets, and*

utilization data for the counties in the service area. WWT's assumptions are conservative and represent an appropriate ramp-up period for the additional unit.

	2015 (April-Dec.)	2016	2017 (projected)	2018 (projected)
Geriatric Program	1,283	3,476	6,372	6,444
Pediatric Program				2,920

See also the Letters of Support for additional verification of the need for services.

## ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
  - A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)
  - B. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
  - C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
  - D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.
  - E. For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
    - 1) A general description of the project;
    - 2) An estimate of the cost to construct the project;
    - 3) A description of the status of the site's suitability for the proposed project; and
    - 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority. *See Attachment B.Economic Feasibility.1.E.*



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## PROJECT COST CHART

A. Construction and equipment acquired by purchase:

- |    |   |           |
|----|---|-----------|
| 1. | Architectural and Engineering Fees  | \$10,000  |
| 2. | Legal, Administrative (Excluding CON Filing Fee), Consultant Fees             | \$25,000  |
| 3. | Acquisition of Site   | _____     |
| 4. | Preparation of Site   | _____     |
| 5. | Total Construction Costs  | \$147,490 |
| 6. | Contingency Fund  | \$10,000  |
| 7. | Fixed Equipment (Not included in Construction Contract)                       | _____     |
| 8. | Moveable Equipment (List all equipment over \$50,000 as separate attachments) | _____     |
| 9. | Other (Specify) _____   | _____     |

B. Acquisition by gift, donation, or lease:

- |    |   |       |
|----|---|-------|
| 1. | Facility (inclusive of building and land) | _____ |
| 2. | Building only                             | _____ |
| 3. | Land only                                 | _____ |
| 4. | Equipment (Specify) _____                 | _____ |
| 5. | Other (Specify) _____                     | _____ |

C. Financing Costs and Fees:

- |    |                                     |       |
|----|-------------------------------------|-------|
| 1. | Interim Financing                   | _____ |
| 2. | Underwriting Costs                  | _____ |
| 3. | Reserve for One Year's Debt Service | _____ |
| 4. | Other (Specify) _____               | _____ |

D.	Estimated Project Cost (A+B+C)	\$192,490
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E.	CON Filing Fee	\$15,000
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F.	Total Estimated Project Cost (D+E)		TOTAL	\$207,490
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2. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment B, Economic Feasibility-2.)*** A letter from Bank of Montreal is attached as Attachment B, Economic Feasibility-2.

- ☒ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ D. Grants – Notification of intent form for grant application or notice of grant award;
- ☐ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ F. Other – Identify and document funding from all other sources.

3. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

# HISTORICAL DATA CHART

X Total Facility  
☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in January.

	2015 (April- Dec)	2016	2017 (Jan-Feb)
A. Utilization Data (patient days)	1,283	3,476	1,062
B. Revenue from Services to Patients			
1. Inpatient Services	\$1,283,000	\$5,227,904	\$1,597,248
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) medical records	\$22	\$3.00	_____
<b>Gross Operating Revenue</b>	<b>\$1,283,022</b>	<b>\$5,227,907</b>	<b>\$1,597,248</b>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$577,073	\$2,858,205	\$846,220
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	\$117,906	\$37,927	\$27,126
<b>Total Deductions</b>	<b>\$694,979</b>	<b>\$2,896,132</b>	<b>\$873,346</b>
<b>NET OPERATING REVENUE</b>	<b>\$588,043</b>	<b>\$2,331,775</b>	<b>\$723,902</b>
D. Operating Expenses			
1. Salaries and Wages			
a. Direct Patient Care	\$504,997	\$631,660	\$171,680
b. Non-Patient Care	\$103,433	\$210,552	\$51,281
2. Physician's Salaries and Wages	\$106,315	\$191,600	\$55,500
3. Supplies	\$116,872	\$189,628	\$63,077
4. Rent			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees:			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses	\$327,021	\$370,685	\$108,174
<b>Total Operating Expenses</b>	<b>\$1,158,638</b>	<b>\$1,594,125</b>	<b>\$449,712</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$(570,595)</b>	<b>\$749,145</b>	<b>\$274,190</b>
F. Non-Operating Expenses			
1. Taxes	\$ _____	\$ _____	\$ _____
2. Depreciation	\$124,769	\$212,016	\$52,195
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$124,769</b>	<b>\$212,016</b>	<b>\$52,195</b>
<b>NET INCOME (LOSS)</b>	<b>\$(695,364)</b>	<b>\$537,129</b>	<b>\$221,995</b>

Chart Continues Onto Next Page

<b>NET INCOME (LOSS)</b>	<b>\$(695,364)</b>	<b>\$537,129</b>	<b>\$221,995</b>
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ _____	\$ _____	\$ _____
2. Annual Capital Expenditure	\$1,921,967	\$77,358	\$49,127
<b>Total Other Deductions</b>	<b>\$1,921,967</b>	<b>\$77,358</b>	<b>\$49,127</b>
<b>NET BALANCE</b>	<b>\$(2,617,331)</b>	<b>\$459,771</b>	<b>\$172,868</b>
<b>DEPRECIATION</b>	<b>\$124,769</b>	<b>\$212,016</b>	<b>\$52,195</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$(2,492,562)</b>	<b>\$671,787</b>	<b>\$225,063</b>

☒ Total Facility

☐ Project Only

## HISTORICAL DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1. Employee Benefits	\$82,591	\$132,287	\$38,986
2. Advertising and Marketing	\$5,901	\$20,017	\$6,649
3. Purchased Services (legal, accounting, etc.)	\$147,875	\$106,172	\$30,296
4. Recruiting and Relocation	\$6,150	\$963	\$620
5. Travel	\$37,185	\$13,557	\$4,060
6. Repairs and Maintenance	\$14,264	\$36,574	\$10,621
7. Utilities	\$15,040	\$25,702	\$8,812
8. Insurance	\$4,353	\$10,383	\$2,654
9. Property Taxes	\$988	\$2,111	\$618
10. Other (postage, office supplies, etc.)	\$12,674	\$22,919	\$4,858
<b>Total Other Expenses</b>	<b>\$327,021</b>	<b>\$370,685</b>	<b>\$108,174</b>

4. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

# PROJECTED DATA CHART

☐ Total Facility  
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

	Year 1	Year 2
A. Utilization Data (patient days)	2,925	3,504
B. Revenue from Services to Patients		
1. Inpatient Services	\$4,399,200	\$5,270,016
2. Outpatient Services	_____	_____
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
<b>Gross Operating Revenue</b>	<b>\$4,399,200</b>	<b>\$5,270,016</b>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$2,354,785	\$2,879,006
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	\$40,790	\$50,458
<b>Total Deductions</b>	<b>\$2,395,575</b>	<b>\$2,869,776</b>
<b>NET OPERATING REVENUE</b>	<b>\$2,003,625</b>	<b>\$2,400,240</b>
D. Operating Expenses		
1. Salaries and Wages	\$722,766	\$902,434
a. Direct Patient Care	\$547,134	\$667,801
b. Non-Patient Care	\$175,632	\$234,633
2. Physician's Salaries and Wages	\$216,000	\$260,000
3. Supplies	\$162,877	\$197,794
4. Rent		
a. Paid to Affiliates	_____	_____
b. Paid to Non-Affiliates	_____	_____
5. Management Fees:		
a. Paid to Affiliates	_____	_____
b. Paid to Non-Affiliates	_____	_____
6. Other Operating Expenses	\$280,406	\$350,473
<b>Total Operating Expenses</b>	<b>\$1,382,049</b>	<b>\$1,710,701</b>
E. Earnings Before Interest, Taxes and Depreciation	\$621,576	\$689,539
F. Non-Operating Expenses		
1. Taxes	\$ _____	\$ _____
2. Depreciation	\$62,076	\$67,596
3. Interest	_____	_____
4. Other Non-Operating Expenses	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$62,076</b>	<b>\$67,596</b>
<b>NET INCOME (LOSS)</b>	<b>\$559,500</b>	<b>\$621,943</b>

Chart Continues Onto Next Page

<b>NET INCOME (LOSS)</b>	<b>\$559,500</b>	<b>\$621,943</b>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	\$ _____	\$ _____
2. Annual Capital Expenditure	\$1,100,000	\$50,000
<b>Total Other Deductions</b>	<b>\$1,100,000</b>	<b>\$50,000</b>
<b>NET BALANCE</b>	<b>\$(540,500)</b>	<b>\$571,943</b>
<b>DEPRECIATION</b>	<b>\$79,506</b>	<b>\$120,000</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$(460,994)</b>	<b>\$691,943</b>

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☐ Total Facility  
☒ Project Only

## PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<b>Year 1</b>	<b>Year 2</b>
1. Employee Benefits	\$129,538	\$158,685
2. Advertising and Marketing	\$10,000	\$15,000
3. Purchased Services (legal, accounting, etc.)	\$81,438	\$98,897
4. Recruiting and Relocation	\$2,400	\$3,600
5. Travel	\$6,000	\$8,750
6. Repairs and Maintenance	\$5,250	\$8,544
7. Utilities	\$21,988	\$26,702
8. Insurance	\$8,918	\$10,829
9. Property Taxes	\$2,111	\$2,449
10. Other (postage, office supplies, etc.)	\$12,763	\$17,017
<b>Total Other Expenses</b>	<b>\$280,406</b>	<b>\$350,473</b>

# PROJECTED DATA CHART

X Total Facility  
☐ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

	Year 1	Year 2
A. Utilization Data (patient days)	9,369	12,264
B. Revenue from Services to Patients		
1. Inpatient Services	\$10,842,700	\$14,029,395
2. Outpatient Services	\$546,000	\$1,310,400
3. Emergency Services		
4. Other Operating Revenue (Specify) _____		
<b>Gross Operating Revenue</b>	<b>\$11,388,700</b>	<b>\$15,339,795</b>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$4,994,880	\$6,734,771
2. Provision for Charity Care		
3. Provisions for Bad Debt	\$160,758	\$222,421
<b>Total Deductions</b>	<b>\$5,155,638</b>	<b>\$6,957,192</b>
<b>NET OPERATING REVENUE</b>	<b>\$6,233,062</b>	<b>\$8,382,603</b>
D. Operating Expenses		
1. Salaries and Wages	\$2,668,625.80	\$3,404,543.03
a. Direct Patient Care	\$2,192,117.71	\$2,787,568.18
b. Non-Patient Care	\$476,508.09	\$616,974.85
2. Physician's Salaries and Wages	\$602,943	\$792,594
3. Supplies	\$404,711.80	\$528,635.76
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses	\$878,124.27	\$1,100,733.25
<b>Total Operating Expenses</b>	<b>\$4,554,404.87</b>	<b>\$5,826,506.04</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$1,678,657.13</b>	<b>\$2,556,096.96</b>
F. Non-Operating Expenses		
1. Taxes	\$ _____	\$ _____
2. Depreciation	\$326,888	\$449,579
3. Interest		
4. Other Non-Operating Expenses		
<b>Total Non-Operating Expenses</b>	<b>\$326,888</b>	<b>\$449,579</b>
<b>NET INCOME (LOSS)</b>	<b>\$1,351,769.13</b>	<b>\$2,106,517.96</b>

Chart Continues Onto Next Page



<b>NET INCOME (LOSS)</b>	<b>\$1,351,769.13</b>	<b>\$2,106,517.96</b>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	\$ _____	\$ _____
2. Annual Capital Expenditure	\$2,445,250	\$160,000
<b>Total Other Deductions</b>	<b>\$2,445,250</b>	<b>\$160,000</b>
<b>NET BALANCE</b>	<b>(\$1,093,480.87)</b>	<b>\$1,946,517.96</b>
<b>DEPRECIATION</b>	<b>\$326,888</b>	<b>\$449,579</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>(\$776,592.87)</b>	<b>\$2,396,096.96</b>

☒ Total Facility

☐ Project Only

## PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<b>Year 1</b>	<b>Year 2</b>
1. Employee Benefits	\$488,096	\$605,572
2. Advertising and Marketing	\$25,000	\$34,457
3. Purchased Services (legal, accounting, etc.)	\$183,224.40	\$232,817.88
4. Recruiting and Relocation	\$6,600	\$8,691
5. Travel	\$20,000	\$26,207
6. Repairs and Maintenance	\$18,137	\$26,063
7. Utilities	\$77,196.37	\$90,090.16
8. Insurance	\$24,533.50	\$30,406.21
9. Property Taxes	\$4,267	\$5,007
10. Other (postage, office supplies, etc.)	\$31,070	\$41,422
<b>Total Other Expenses</b>	<b>\$878,124.27</b>	<b>\$1,100,733.25</b>

5. A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year (2016)	Current Year (2017)	Year One (2018)	Year Two (2019)	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	\$1,504	\$1,504	\$1,504	\$1,504	0%
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	\$833	\$823	\$819	\$819	-0.004%
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	\$671	\$681	\$685	\$685	0.006%

- B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

*The gross charge will be \$1,504, and the average net charge will be \$685, which are essentially the same as current charges. Revenue from the project will not affect charges for the existing geriatric unit or the pediatric unit.*

- C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Provider	Charges
TriStar Maury Regional Behavioral Health*	Gross charge - \$4,282 Average Deduction - \$3,321 Average Net Charge - \$961
Behavioral Health Center at Martin+	Gross charge - \$963 Average Net Charge - \$963

\* Information from CN1610-036

+ Information from 2015 JAR

6. A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects,

provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. **NOTE: Publicly held entities only need to reference their SEC filings.**

*The projected utilization rates are sufficient to support financial performance. The existing unit is profitable. WWT and Woodridge have sufficient cash to support the additional unit until it is profitable. Attachment B.Economic Feasibility.6.A.*

- B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	1st Year previous to Current Year (2016)	Current Year (2017)	Projected Year 1 (2018)	Projected Year 2 (2019)
Net Operating Margin Ratio	.32	0.38	0.27	0.30

- C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

*The capitalization ratio for Woodridge (parent company) is 1.06.*

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

### Applicant's Projected Payor Mix, Year 1

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$3,739,320	85
TennCare/Medicaid	\$439,920	10
Commercial/Other Managed Care	\$219,960	5
Self-Pay	N/A	N/A
Charity Care	N/A	N/A
Other (Specify) _____	N/A	N/A
<b>Total</b>	<b>\$4,399,200</b>	<b>100</b>

*The Applicant does not anticipate significant revenue from self-pay or charity care because most geriatric patients have insurance either under Medicare or through commercial insurance. The applicant will provide indigent care as necessary to serve the community.*

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

*The project will add 20 new jobs to the area. Woodridge has a strong history of recruiting qualified staff, both clinical and non-clinical.*

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
<b>A. Direct Patient Care Positions</b>				
<i>Technicians</i>	14	9	\$10.50	\$11.40
<i>RNs</i>	6	6	\$27.00	\$27.35
<i>Therapists</i>	1.5	1	\$21.67	\$21.65
<i>Licensed Practical Nurses</i>	2	2	\$16.00	\$17.65
<i>Nurse Manager</i>	1	0	\$25.00	\$31.00
<i>Director of Nursing</i>	1	0	\$37.00	\$38.50
<b>Total Direct Patient Care Positions</b>	<b>25.5</b>	<b>18</b>		<b>\$24.59</b>

<b>B. Non-Patient Care Positions</b>				
<i>Business Office</i>	1	0	\$17.50	\$16.15
<i>Unit Clerk</i>	1	0	\$13.00	\$15.35
<i>Human Resources</i>	0.5		\$14.00	\$17.60
<i>Marketing</i>	1	1	\$30.00	\$31.28
<i>Utilization Review</i>	1	0	\$20.00	*
<i>Housekeeping</i>	1	1	\$10.00	\$9.87
<i>Diet/Maint</i>	1	0	\$10.50	\$10.52
<b>Total Non-Patient Care Positions</b>	6.5			\$15.30
<b>Total Employees (A+B)</b>	33	20		\$19.95
<b>C. Contractual Staff</b>	0	0	0	0
<b>Total Staff (A+B+C)</b>	33	20		\$19.95

\* information not available from the Tennessee Department of Labor and Workforce Development

9. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

*This project is the least costly and most efficient way to add geriatric inpatient psychiatric services to the service are. It utilizes existing, unused space by renovating old acute hospital space and complements existing healthcare services.*

- B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

*This project is a renovation and modification of existing, unused space.*

## CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

*WWT has a transfer agreement with Jackson-Madison County General Hospital. WWT also has contractual agreements for health services including pharmacy, lab, and x-ray.*

*Additionally, WWT has working relationships with area outpatient mental health clinics and community mental health centers.*

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

*This project will bring additional geriatric psychiatric beds to the service area. Currently, there are not enough geriatric psychiatric beds in the service area.*

B. Negative Effects

*The project will not negatively affect other providers in the service area. The nearest provider, Pathways, does not have dedicated geriatric bed. Pathways is supportive of the application and, in fact, already refers patients to WWT. The state facility, Western Mental Health Institute, takes very few geriatric patients (according to its 2015 JAR, only 2% of its patients were geriatric) and is, generally, completely full. The project could have some impact on Behavioral Health Center in Martin, but the applicant believes that the distance between the facilities will minimize that impact. Martin is approximately one and one-half hours from Jackson, which is a difficult distance for geriatric patients to travel for care.*

3. A. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

*Qualified staff are available in the Jackson area. Woodridge has been successful in recruiting staff for its existing geriatric psychiatric unit and residential treatment center. Woodridge has good relationships with the local colleges and has had success recruiting graduates of those schools. Psychiatrists in Jackson will provide clinical leadership.*

- B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

*The applicant has reviewed and understands all applicable licensing and accreditation requirements. The applicant's geriatric unit is currently licensed by the Department of Mental Health and Substance Abuse Services and accredited by the Joint Commission.*

- C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

*WWT works with local educational institutions to provide volunteer opportunities that benefit both the students and the patients. In the past, WWT has been an internship and nursing rotation site for students and would be open to that in the future.*

4. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: *Tennessee Department of Mental Health and Substance Abuse Services*

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.): *N/A*

Accreditation (i.e., Joint Commission, CARF, etc.): *Joint Commission*

- A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

*The existing geriatric psychiatric program is licensed by the Department of Mental Health and Substance Abuse Services and is accredited by the Joint Commission. Copies of the license and accreditation are attached as Attachment B. Contribution to Orderly Development. 4.A.*

- B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

*The applicant's most recent survey and plan of correction is attached as Attachment B. Contribution to Orderly Development. 4.B.*

- C. Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions. *N/A*

- 1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

5. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- A. Has any of the following:

- 1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

- 2) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
- 3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

B. Been subjected to any of the following:

- 1) Final Order or Judgment in a state licensure action;
- 2) Criminal fines in cases involving a Federal or State health care offense;
- 3) Civil monetary penalties in cases involving a Federal or State health care offense;
- 4) Administrative monetary penalties in cases involving a Federal or State health care offense;
- 5) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or
- 6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.
- 7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.
- 8) Is presently subject to a corporate integrity agreement.

*No. None of the people described in 5.A. have been subjected to any of the actions described in 5.B.*

6. Outstanding Projects: *CN1610-037 – Addition of 16 Pediatric Beds at Oak Hills*

A. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

B. Provide a brief description of the current progress, and status of each applicable outstanding CON.

CON Number	Project Name	Date Approved	Annual Progress Report Due Date	Annual Progress Report Date Filed	Expiration Date	Status
CN1610-037	Woodridge of West Tennessee	2/22/17	2/22/18	N/A	2/22/19	Scheduled to be completed in October 2017

7. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

A. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)? No



- B. If yes, have you submitted their registration to HSDA? If you have, what was the date of submission? N/A
- C. If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? N/A

## QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

*The applicant will report all information required by the Agency.*

## STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning> ). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee. *The proposed project will improve the health and well-being of geriatric residents in the service area by providing additional psychiatric services.*
2. People in Tennessee should have access to health care and the conditions to achieve optimal health. *Lack of access mental health care is a major problem across the state. This project increases access to and availability of mental health care by locating inpatient psychiatric services in an area of the state that does not currently have sufficient services.*
3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies. *This project encourages economic efficiencies. It will use existing physical resources and will not duplicate services.*
4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers. *Woodridge strives to provide the highest quality of care in its acute and residential programs. Woodridge's programs are CARF and Joint Commission accredited.*
5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce. *Woodridge has successfully recruited quality staff from the Jackson area. Clinical leadership for the acute programs and residential treatment center is provided by area psychiatrists.*

### **PROOF OF PUBLICATION**

**Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

### **DEVELOPMENT SCHEDULE**

**T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.**

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.**

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date		June 2017
2. Architectural and engineering contract signed	1	June 2017
3. Construction documents approved by the Tennessee Department of Health	15	July 2017
4. Construction contract signed	15	July 2017
5. Building permit secured	20	July 2017
6. Site preparation completed	25	July 2017
7. Building construction commenced	25	July 2018
8. Construction 40% complete	40	August 2017
9. Construction 80% complete	55	August 2017
10. Construction 100% complete (approved for occupancy)	65	August 2017
11. *Issuance of License	85	September 2017
12. *Issuance of Service	95	October 2017
13. Final Architectural Certification of Payment	100	November 2017
14. Final Project Report Form submitted (Form HR0055)	100	November 2017

\*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

**NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date**

**AFFIDAVIT**

STATE OF TN

COUNTY OF Madison

Gregory Saffman, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Gregory Saffman  
SIGNATURE/TITLE

Sworn to and subscribed before me this 8th day of March, 2018 a Notary  
(Month) (Year)

Public in and for the County/State of Madison TN

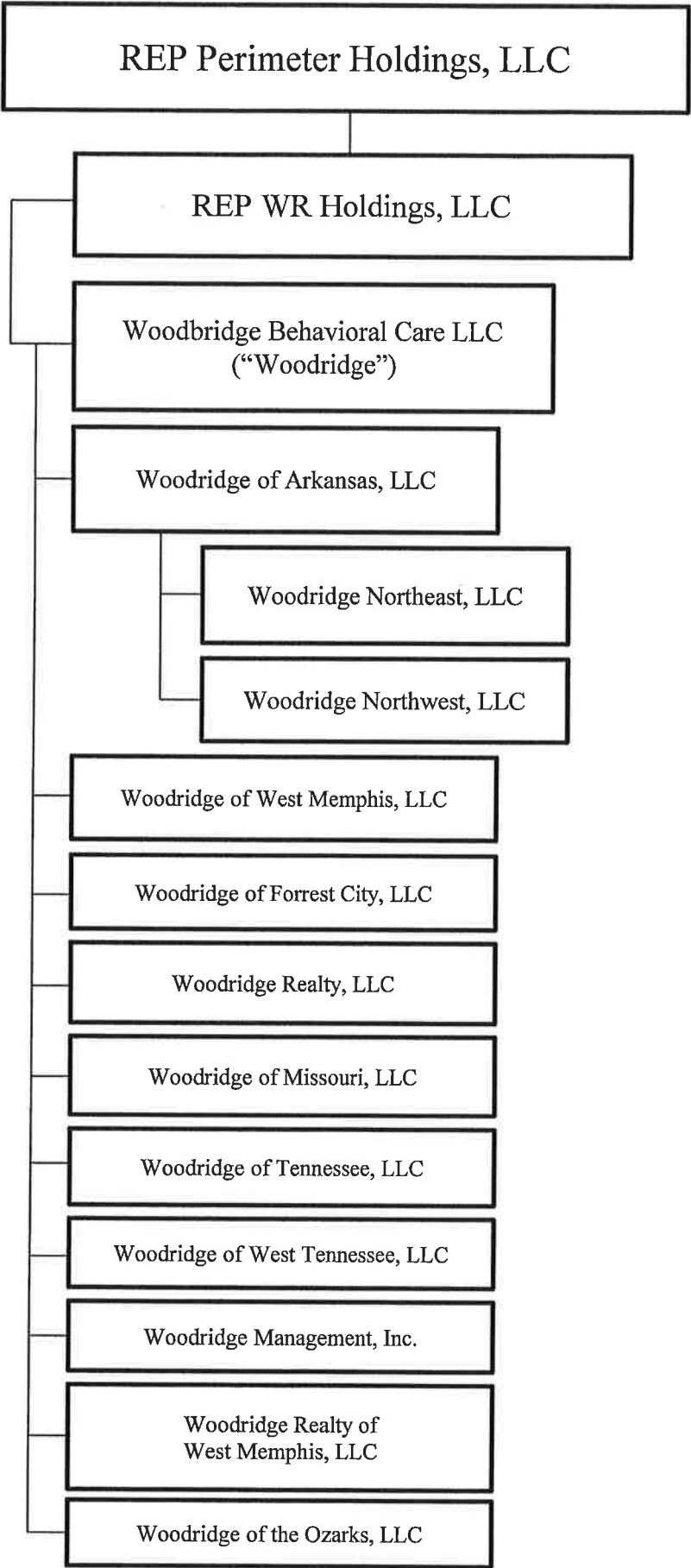
Christy B. Allen  
NOTARY PUBLIC

My commission expires 10-24, 2018  
(Month/Day) (Year)



**Attachment A.3.A.(2)**  
**Organization Chart**

Legal Organization Chart



**Attachment A.4.B**  
**Articles of Organization**

# Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "WOODRIDGE OF WEST TENNESSEE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-NINTH DAY OF AUGUST, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "WOODRIDGE OF WEST TENNESSEE, LLC" WAS FORMED ON THE EIGHTH DAY OF AUGUST, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5379207 8300

SR# 20165557626

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 202902817

Date: 08-29-16



# Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "WOODRIDGE OF WEST TENNESSEE, LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE EIGHTH DAY OF AUGUST, A.D. 2013, AT 4:25 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "WOODRIDGE OF WEST TENNESSEE, LLC".



  
Jeffrey W. Bullock, Secretary of State

5379207 8100H  
SR# 20165557626

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 202902814  
Date: 08-29-16

**CERTIFICATE OF FORMATION**

**OF**

**WOODRIDGE OF WEST TENNESSEE, LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company (hereinafter called the "company"), under the provisions and subject to the requirements of the Delaware Limited Liability Company Act, hereby certifies that:

1. The name of the limited liability company is Woodridge of West Tennessee, LLC.

2. The name of the registered agent and the address of the registered office of the limited liability company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, County of Kent, Delaware 19904.

By signing this Certificate of Formation, the undersigned is acting solely in the capacity of organizer for the purpose of forming the Company and he shall have no liability whatsoever for acts done or purportedly done on behalf of the Company.

Executed on August 6, 2013.

/s/ Glen A. Civitts

Glen A. Civitts, Organizer

**Attachment A.6.A.**  
**Deed and Name Change Documentation**

THIS INSTRUMENT PREPARED BY  
RAINEY, KIZER, REVIERE & BELL, P.L.C.  
Attorneys at Law (LAW-08329/62615)  
105 S. Highland Avenue  
Jackson, Tennessee 38301

PROPERTY OWNER  
& ADDRESS:

Amicare of Tennessee, LLC  
49 Old Hickory Blvd.  
Jackson, TN

PERSON OR ENTITY RESPONSIBLE  
FOR THE PAYMENT OF REAL  
PROPERTY TAXES & ADDRESS:

Amicare of Tennessee, LLC  
162 Cade Lane  
Madison, TN 37115

Without Survey or Title Examination  
Without Serving as Closing Attorney

I, OR WE, HEREBY SWEAR OR AFFIRM THAT THE ACTUAL CONSIDERATION FOR THIS  
TRANSFER OR VALUE OF THE PROPERTY TRANSFERRED, (WHICHEVER IS GREATER) IS  
\$ 0.



AFFIANT

SUBSCRIBED AND SWORN TO BEFORE ME THIS THE 19<sup>th</sup> DAY OF March, 2007.

NOTARY PUBLIC

Map 56P Group B Parcel 21.02 (001)

### QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That FAMILY WORSHIP CENTER  
MINISTRIES OF JACKSON, TENNESSEE, a Tennessee non-profit corporation, for good and  
valuable consideration, receipt of all of which is hereby acknowledged, does hereby quitclaim  
and convey unto AMICARE OF TENNESSEE, LLC all of its right, title and interest in and to  
that certain lot or parcel of real estate located in the Sixth Ward of the City of Jackson,  
Madison County, Tennessee, and more particularly bounded and described as follows:

BEGINNING at an iron pin at the northeast corner of the Social Security Building  
property, said pin being South 82 degrees 12 minutes East 525.60 feet from the  
east margin of Highland Avenue, said point in the east margin of Highland  
Avenue, being the northwest corner of John Thomas McKnight property; runs  
thence south 82 degrees 12 minutes East 85.39 feet to an iron pin, thence south  
52 degrees 22 minutes East 297.86 feet to an iron pin, thence South 22 degrees  
22 minutes East 150.00 feet to an iron pin, thence South 82 degrees 22 minutes  
East 450.00 feet to an iron pin, thence South 10 degrees 20 minutes West  
306.00 feet to an iron pin, thence north 82 degrees 08 minutes West 849.12 feet  
to a point in Old Hickory Boulevard east, runs thence North 27 degrees 44  
minutes 45 seconds West with the east margin of said boulevard 214.40 feet to a  
point, thence runs in a Northerly direction following a curve having a radius of  
335.00 feet, a distance of 51.27 feet, thence runs in a Northeasterly direction  
following a curve having a radius of 15.00 feet, a distance of 35.81 feet to a point,  
thence runs South 79 degrees 44 minutes 45 seconds East 95.30 feet to a point,  
thence runs North 10 degrees 56 minutes East 60.00 feet to a point; thence runs  
South 79 degrees 44 minutes 45 seconds East 28.91 feet to a point; thence  
North 10 degrees 15 minutes 00 seconds East 287.92 feet to the point of  
beginning. Said description being taken from a survey of TLM Associates, Inc.,  
Consulting Engineers, Tennessee No. 662, dated May 1, 1975, Robert W.  
Martin, Tennessee Registration No. 488. (Description from prior deed of  
conveyance.)

Being the same property conveyed to Jackson Family Worship Center, a Tennessee non-profit corporation, by deed dated December 1, 2003, appearing of record in Book D657, page 654, in the Register's Office of Madison County, Tennessee. By Articles of Amendment recorded in Charter Book 40, page 382, in said Register's Office, the name was changed to Family Worship Center Ministries of Jackson, a Tennessee non-profit corporation.

TO HAVE AND TO HOLD the above-described real estate, together with all easements and appurtenances thereunto belonging, unto the said AMICARE OF TENNESSEE, LLC, its successors and assigns forever.

The Grantor covenants that it is lawfully seized and possessed of the above property; that it has full right to sell and convey the same as aforesaid; that said property is free of all liens and encumbrances with the exception of (1) city and county real property taxes for the year 2007, which are to be prorated between Grantor and Grantee and assumed by the Grantee; (2) restrictive covenants of record in Deed Book 523, Page 711, in the Register's Office of Madison County, Tennessee, and (3) Electrical Distribution Line Easements of record in Deed Book 324, Page 357, and Deed Book 132, Page 108, both in the Register's Office of Madison County, Tennessee; to which this conveyance is made subject. With such exception Grantor will forever warrant and defend the title to said property unto the Grantee, its successors and assigns, against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has caused its name to be hereunto subscribed

by its authorized officer on this the 9th day of February, 2007.  
BK/PG: D686/1134-1135

**07004641**

2 FOR 1 AL - DEED	
CHARLA BATES: 46495	
02/19/2007 - 02:02 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DE FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE  
COUNTY OF MADISON

FAMILY WORSHIP CENTER MINISTRIES  
OF JACKSON, TENNESSEE

By: Val Treece  
Title: CEO Family Worship Center Ministries

Before me personally appeared Val Treece, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be CEO of FAMILY WORSHIP CENTER MINISTRIES OF JACKSON, TENNESSEE, the within named grantor, and that he/she executed the foregoing instrument for the purposes therein contained, by personally signing the name of the corporation as such officer.

Witness my hand this 9th day of February, 2007

NOTARY PUBLIC

My commission expires: 6-23-09



# Delaware

PAGE 1

*The First State*


I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "AMICARE OF TENNESSEE, LLC", CHANGING ITS NAME FROM "AMICARE OF TENNESSEE, LLC" TO "WOODRIDGE OF TENNESSEE, LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF JULY, A.D. 2011, AT 2:29 O'CLOCK P.M.

4202393 8100

110858473

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8928610

DATE: 07-26-11

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 02:40 PM 07/26/2011  
FILED 02:29 PM 07/26/2011  
SRV 110858473 - 4202393 FILE

CERTIFICATE OF AMENDMENT  
TO  
CERTIFICATE OF FORMATION  
OF  
AMICARE OF TENNESSEE, LLC

AMICARE OF TENNESSEE, LLC (hereinafter called the "company"), a limited liability company organized and existing under and by virtue of the Limited Liability Company Act of the State of Delaware, does hereby certify:

1. The name of the limited liability company is AmiCare of Tennessee, LLC.
2. The certificate of formation of the company is hereby amended by striking out Article 1 thereof and substituting the following new Article 1:

"1. The name of the limited liability company is Woodridge of Tennessee, LLC."

Executed on this 26<sup>th</sup> day of July, 2011.

/s/ H. Neil Campbell  
H. Neil Campbell  
Authorized Person

458399-01

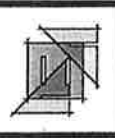
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MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	5.00
OF FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	7.00

STATE OF TENNESSEE, MADISON COUNTY  
LINDA WALDON  
REGISTER OF DEEDS

**Attachment A.6.B(1)**  
**Site Plan**





**Anderson Buehler  
Architects**  
440 Poplar Avenue, Suite 200  
Jackson, TN 38202  
Tel: 661-661-0000  
Fax: 661-661-0001



**Madison Oaks Academy**  
Phase I: Educational Component Renovation  
49 Old Hickory Blvd.  
Jackson, TN 38305

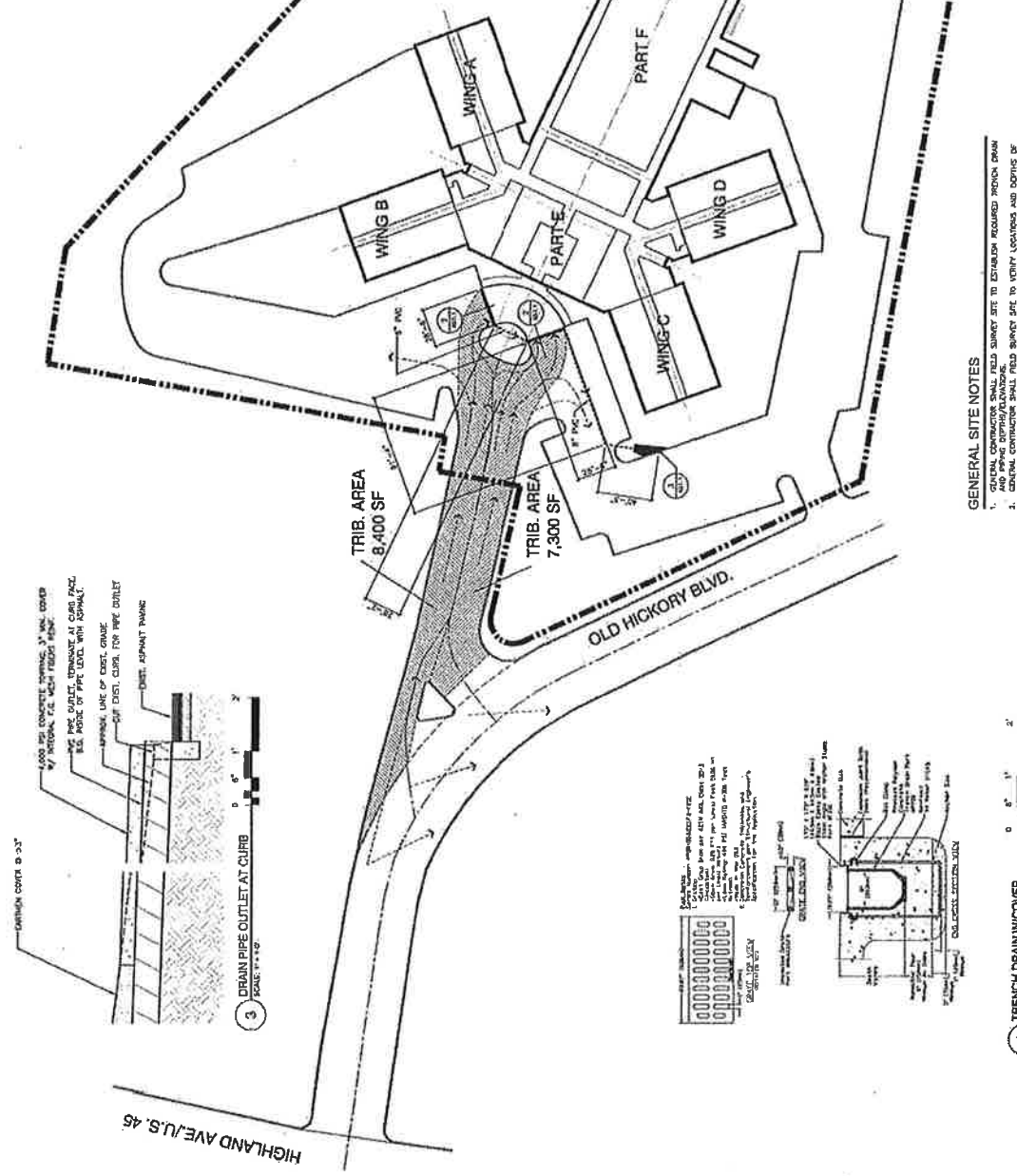
11 April 2012  
Issue For SPM Rev.  
Bld. Const.

ABA 1118  
Architectural Site Plan

**AS1.1**  
Sheet

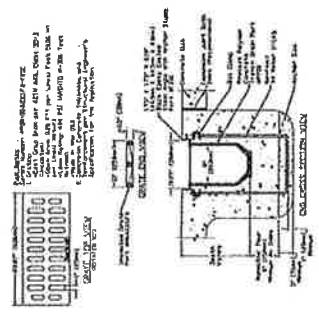
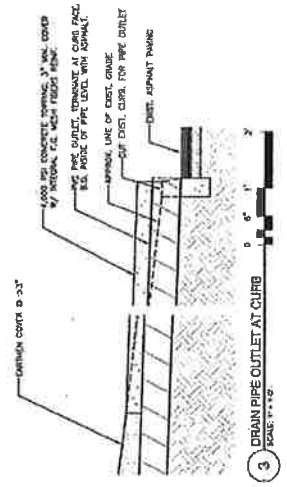


OLD HICKORY BLVD  
VICINITY PLAN - JACKSON, TN  
N

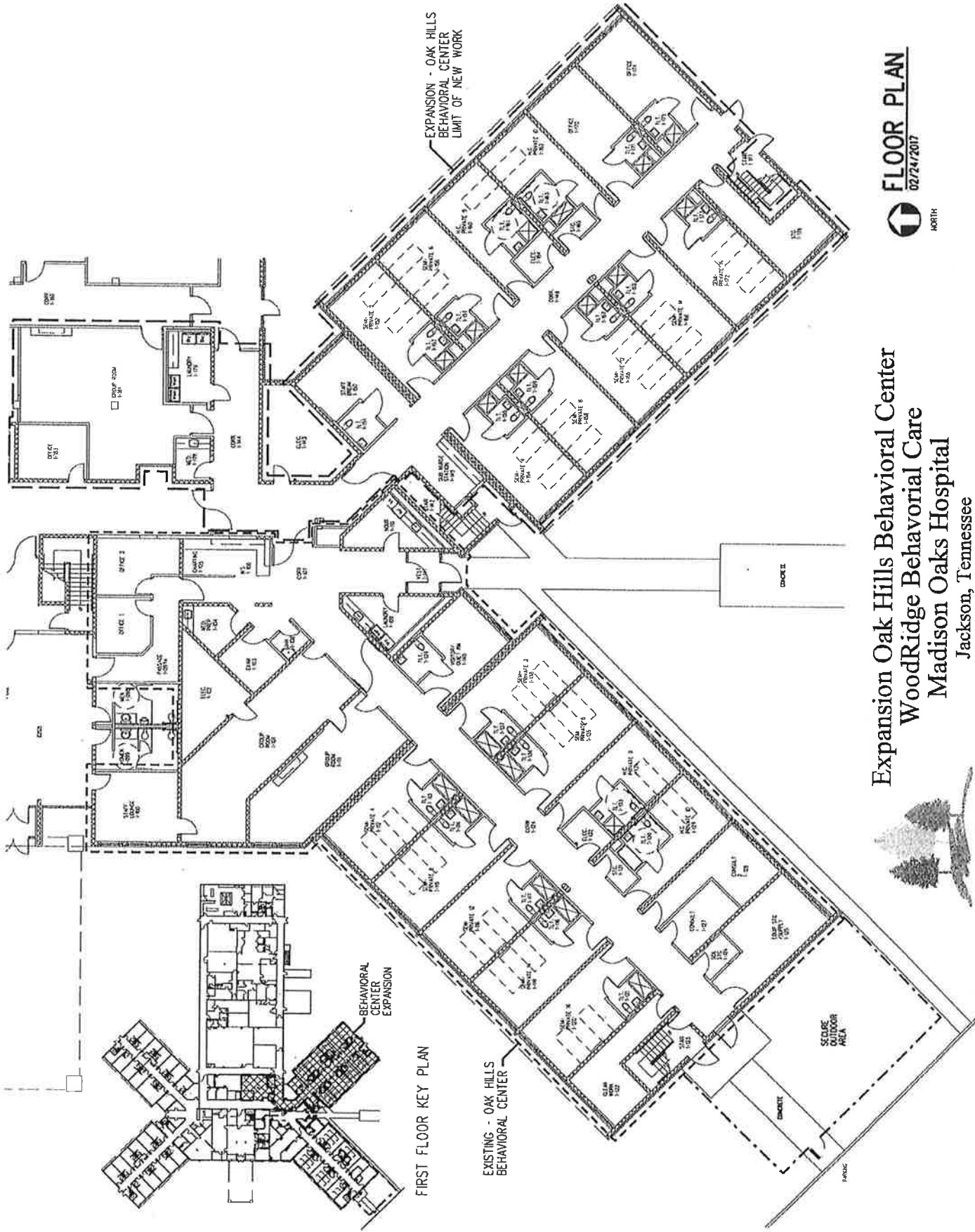


**GENERAL SITE NOTES**

1. GENERAL CONTRACTOR SHALL FIELD SURVEY SET TO ESTABLISH REQUIRED TRENCH DEPTH AND LOCATION. CONTRACTOR SHALL VERIFY LOCATIONS AND DEPTHS OF EXISTING UTILITIES ALONG THE PATH OF PROPOSED TRENCH DEPTH.
2. UNDERGROUND UTILITIES SHALL BE FIELD SURVEY SET TO VERIFY LOCATIONS AND DEPTHS OF EXISTING UTILITIES ALONG THE PATH OF PROPOSED TRENCH DEPTH.
3. GENERAL CONTRACTOR SHALL FIELD VERIFY TRENCH DEPTH AND SPACING LINEAR DISTANCES. ARCH. ONE SHOWN DOCUMENTS, APPROXIMATE, BASED ON AERIAL PHOTOGRAPHY.



**Attachment A.6.B(2)**  
**Floor Plan**

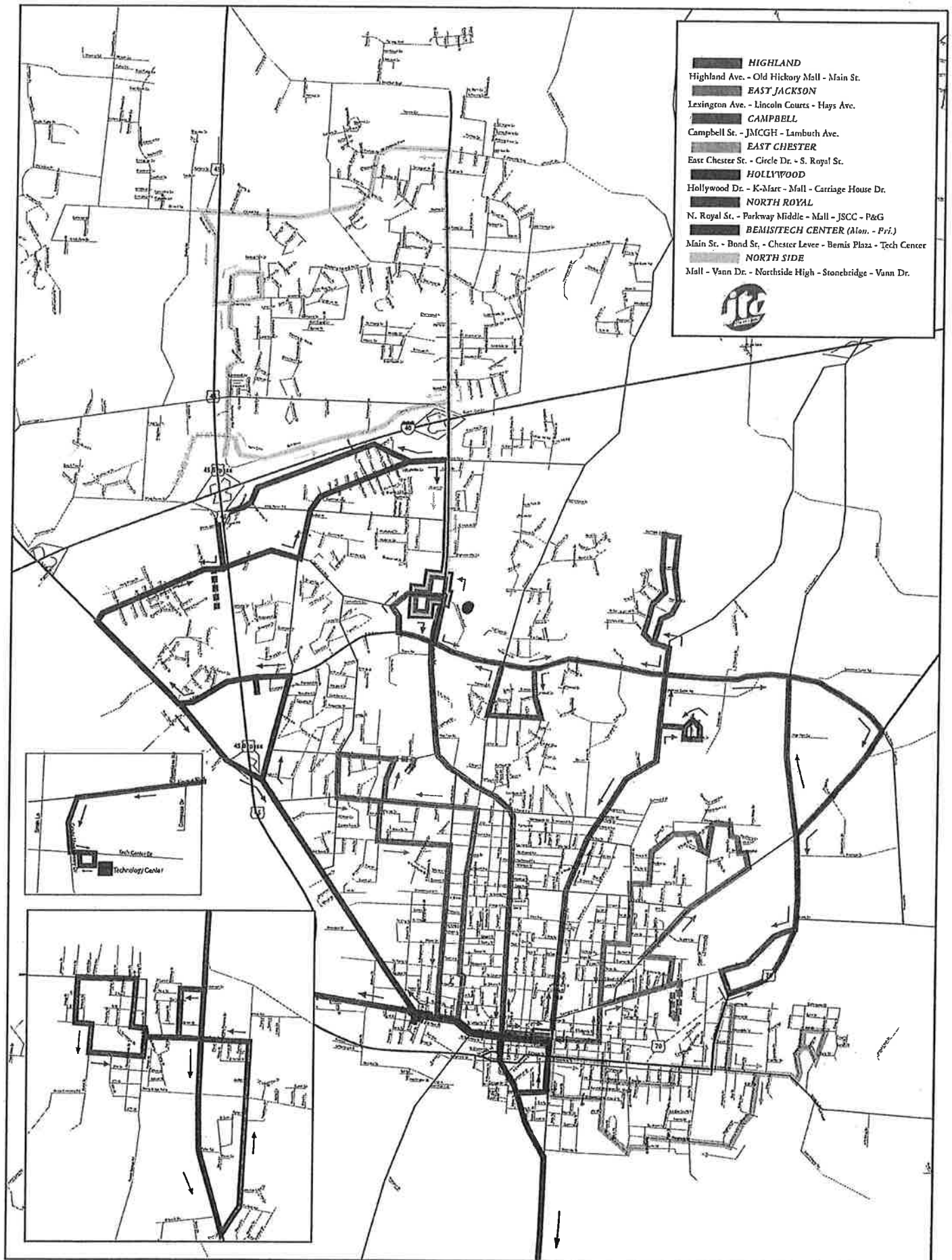


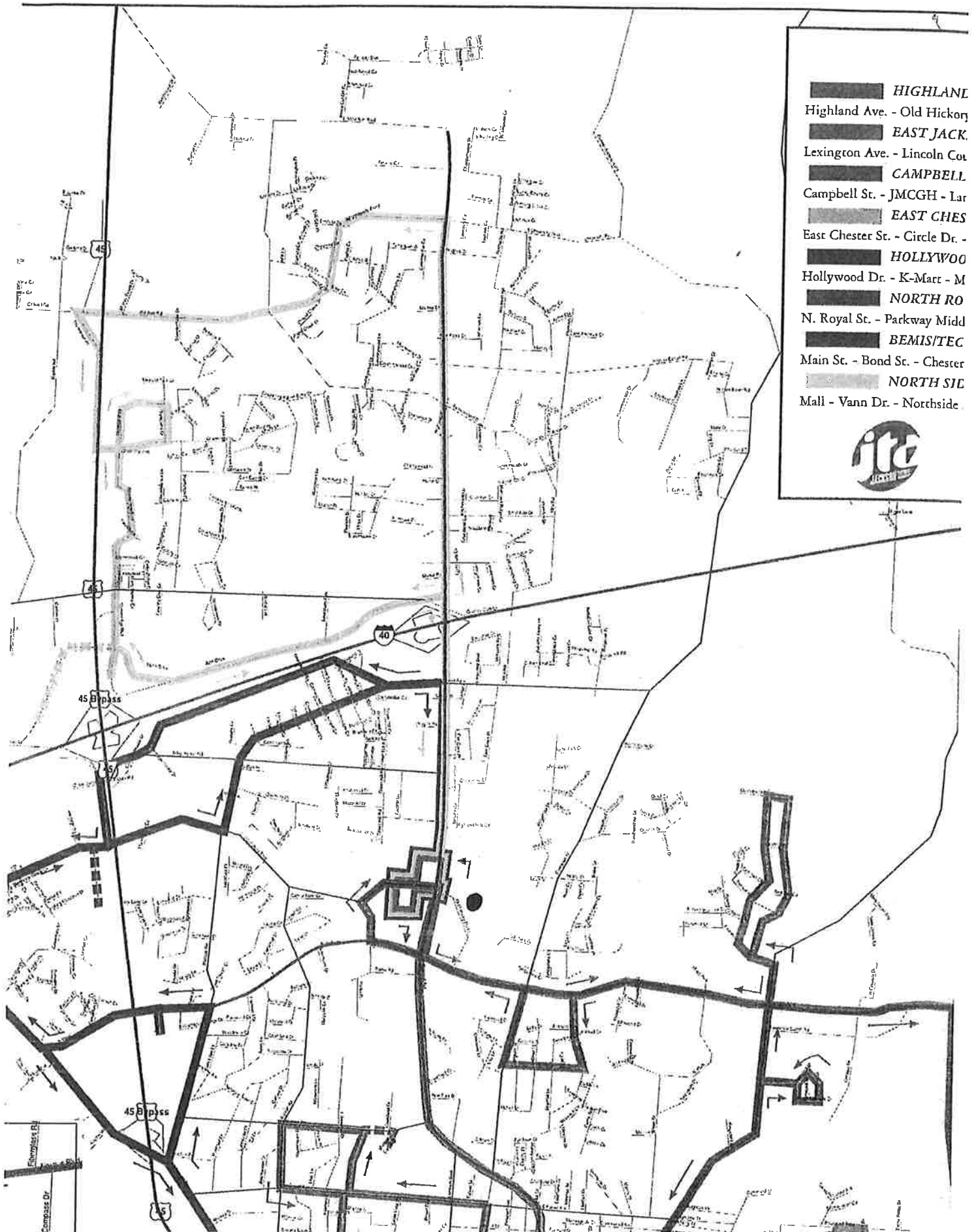
Expansion Oak Hills Behavioral Center  
 WoodRidge Behavioral Care  
 Madison Oaks Hospital  
 Jackson, Tennessee

**FLOOR PLAN**  
 02/24/2017

NORTH

**Attachment A.6.B(3)**  
**Transportation Routes**



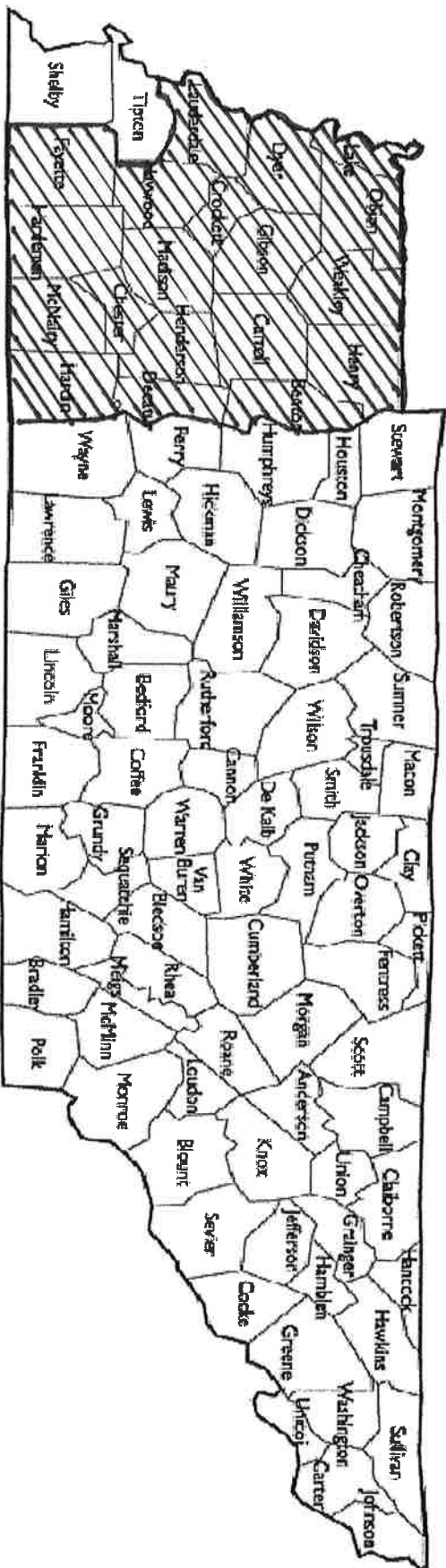


- HIGHLANE**  
Highland Ave. - Old Hickory
- EAST JACK.**  
Lexington Ave. - Lincoln Cot
- CAMPBELL**  
Campbell St. - JMC GH - Lar
- EAST CHES**  
East Chester St. - Circle Dr. -
- HOLLYWOO**  
Hollywood Dr. - K-Mart - M
- NORTH RO**  
N. Royal St. - Parkway Midd
- BEMIS/TEC**  
Main St. - Bond St. - Chester
- NORTH SIE**  
Mall - Vann Dr. - Northside



**Attachment B.Need.3**  
**Service Area Map**

# TENNESSEE COUNTY MAP





**Attachment B.Economic Feasibility.1.E**  
**Letter from Architect**

# C. ROSS ARCHITECTURE L.L.C.

February 24, 2017

**Subject: Verification of Construction Cost Estimate  
Madison Oaks Hospital  
Woodridge Behavioral Care  
Expansion Oak Hills Behavioral Center  
Jackson, Tennessee**

To Whom It May Concern:

C. Ross Architect L.L.C., an architectural firm in Nashville, Tennessee, has reviewed the construction cost data for the above referenced project. The stated construction cost for this renovation is approximately \$147,490.00. (In providing opinions of probable construction cost, the Client understands that the Consultant has no control over the cost or availability of labor, equipment or materials, or over market conditions, or the Contractor's method of pricing, or the Code Reviewer's interpretation at a later date of the requirements for the project, and that the Consultant's opinion of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The Consultant makes no warranty, expressed or implied, that the bids or the negotiated cost of the work will not vary from the Consultants opinion or probable construction cost.)

It is our opinion at this time the projected construction cost is reasonable for this type and size of project and compares appropriately with similar projects in this market. However, it should be noted that the construction costs re increasing rapidly due to economic factors beyond Contractor's controls.

The building codes applicable to this project will be:

**State:**

1. 2010 Guidelines for Design and Construction of Hospitals and Health Care Facilities
2. 2012 International Building Code
3. 2012 International Mechanical Code
4. 2012 International Plumbing Code
5. 2012 International Fuel and Gas Code
6. 2011 National Electric Code
7. 2012 NFPA 101 Life Safety Code
8. 1999 North Carolina Handicap Accessibility Code with 2004 Amendments
9. 2012 U S Public health Code

**Federal:**

1. The Americans with Disabilities Act (ADA), Accessibility Guidelines for Buildings and Facilities  
- 2010 Edition

Sincerely,

C. ROSS ARCHITECTURE, L.L.C.



R. Christopher Ross, III

**Attachment B.Economic Feasibility.2**  
**Letter from Bank of Montreal**



To Whom It May Concern –

REP Perimeter Holdings, LLC (the "Company"), the parent entity of OakHills Behavioral Center, is currently in compliance with all covenants within its senior debt credit facility. The Company has adequate capacity under its revolving credit facility to fund the \$207,490 expansion as set forth in the Certificate of Need Application. The current interest rate on the revolving credit facility is LIBOR + 5.25% and the facility matures on September 2, 2021. Borrowings on the revolving credit facility require pro forma covenant compliance such that the Company's total leverage ratio is less than 4.50x and fixed charge coverage ratio is greater than 1.10x. For the avoidance of doubt, the Company would be in covenant compliance if it were to borrow the required funds to finance the expansion and has adequate debt capacity to do so.

Sincerely,

Joshua Gracia

Assistant Vice President

A handwritten signature in black ink, appearing to read "Joshua Gracia", written over a horizontal line.

**Attachment B.Economic Feasibility.6.A**  
**Financial Statements**

Woodridge of West Tennessee LLC  
**Balance Sheet**

As of December 31, 2016

Dec 31, 16

**ASSETS**

**Current Assets**

**Checking/Savings**

1100 . Cash and Equivalents

1140. Cash - Petty Cash 500

Total 1100 . Cash and Equivalents 500

Total Checking/Savings 500

**Accounts Receivable**

1200. Patient Recievables

1201. Patient A/R 457,371

1203. Unbilled A/R 53,200

Total 1200. Patient Recievables 510,571

1240 . Allowance Accounts

1250. Allowance Doubtful Acct (81,865)

Total 1240 . Allowance Accounts (81,865)

Total Accounts Receivable 428,706

**Other Current Assets**

1300. Other Receivables

1307. A/R Misc 18,411

Total 1300. Other Receivables 18,411

1400. Prepaid Expenses 15,000

Total Other Current Assets 33,411

Total Current Assets 462,617

**Fixed Assets**

**1500. Fixed Assets**

1550. Automobiles 34,740

1570. Furniture & Equipment 115,239

1580. Construction in Progress 33,278

Total 1500. Fixed Assets 183,257

**1745 . Accumulated Depreciation**

1551. Accum Depr - Auto. (2,573)

1571. Accum Depr - F & E (9,952)

Total 1745 . Accumulated Depreciation (12,525)

Total Fixed Assets 170,732

**Other Assets**

**1600. Other Assets**

1850. Goodwill 4,160,530

Total 1600. Other Assets 4,160,530

Total Other Assets 4,160,530

**TOTAL ASSETS 4,793,879**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2000 . Accounts Payable

# Woodridge of West Tennessee LLC

## Balance Sheet

As of December 31, 2016

	Dec 31, 16
2005 . Accounts Payable	98,487
Total 2000 . Accounts Payable	98,487
Total Accounts Payable	98,487
Other Current Liabilities	
2100 . Payroll Liabilities	
2200 . Salaries Payable	16,668
2201 . Accrued Vacations	16,091
2207 . HSA	54
2220 . FUTA	0
2230 . Federal W/H	2,491
2232 . FICA Employer	0
2250. Bonus Accrual	2,500
2260. Other Insurance	242
Total 2100 . Payroll Liabilities	38,046
2400. Other Current Liabilities	
2405. Accrued Other	3,300
Total 2400. Other Current Liabilities	3,300
Total Other Current Liabilities	41,346
Total Current Liabilities	139,833
Long Term Liabilities	
2700 . Intercompany	
2701 . Intercompany Mgmt	(380,843)
Total 2700 . Intercompany	(380,843)
Total Long Term Liabilities	(380,843)
Total Liabilities	(241,010)
Equity	
3000. Opening Balance Equity	
3010 . Opening Bal Equity	4,585,636
Total 3000. Opening Balance Equity	4,585,636
3900 . Retained Earnings	0
3999. Net Income Adjustment	(135,226)
Net Income	584,478
Total Equity	5,034,888
TOTAL LIABILITIES & EQUITY	4,793,878

# Woodridge of West Tennessee LLC

## Profit & Loss

January through December 2016

Total 2016

### Ordinary Income/Expense

#### Income

4000 . Patient Revenue	
4125. Medicare	2,135,920
4200 . Revenue - Commercial	(78,568)
4218. Tenn Medicaid	395,676
Total 4000 . Patient Revenue	<u>2,453,028</u>
5000. A/R Discount	
5002 .Administrative Adjustment	(83,329)
Total 5000. A/R Discount	<u>(83,329)</u>
6000. Other Income	
6002. Misc Income	3
Total 6000. Other Income	<u>3</u>
Total Income	<u>2,369,702</u>

#### Expense

7000 . Gross Salaries	
7001. Payroll	839,712
7020. Bonus	2,500
Total 7000 . Gross Salaries	<u>842,212</u>
7050. Employee Benefits	
7051. Payroll Taxes - FICA	63,023
7052. Payroll Taxes - SUI/FUI	10,878
7071. Health Insurance	22,113
7073. Dental	2,797
7074. Workman's Compensation	26,466
7075. Life Insurance	913
7076. 401k Match	750
7077. Long Term Disability	185
7080. HSA Company Contribution	1,630
7090. Employee Activities	3,532
Total 7050. Employee Benefits	<u>132,287</u>
7100. Professional Fees	
7111. Prof. Fees - Medical Dir	155,000
7120. Prof Fees - H & P	29,000
7130. Prof Fees - Other	7,600
Total 7100. Professional Fees	<u>191,600</u>
7200. Advertising & Marketing	
7211. Marketing Supplies	15,156
7220 . TV Placements	4,861
Total 7200. Advertising & Marketing	<u>20,017</u>
7300. Purchase Services	
7301. Accounting Fees	5,500
7302. Dietary Consultant	2,080
7304. Housekeep & Maint.	4,075
7305. Lab Work	20,653



Woodridge of West Tennessee LLC  
**Profit & Loss**

January through December 2016

	Total 2016
7306. Laundry	19,221
7307. Legal Fees	5,737
7308. Outside Medical Services	9,959
7312. JCAHO	10,804
7313. Therapist	1,690
7319. Administration	13,750
7320. Transcription	2,264
7321. Maintenance Agreements	5,209
7325. Psychologist	1,000
7327. Pre Employment	3,535
7375. Contract Labor - Other	695
Total 7300. Purchase Services	106,172
7380. Recruitment & Relocation	
7381. Recruitment Ads	963
Total 7380. Recruitment & Relocation	963
7400. Food and Supplies	
7401. Office Supplies	5,726
7405. Food Costs	37,293
7406. Dietary Supplies	3,022
7407. Minor Equipment	6,805
7408. Housekeeping Supplies	9,699
7410. Recreation/Activity	2,485
7411. Medical Supplies	15,016
7412. Pharmacy Supplies	109,558
7400. Food and Supplies - Other	24
Total 7400. Food and Supplies	189,628
7500. Travel & Entertainment	
7501. Travel & Mileage	7,437
7502. Meals	1,001
7503. Conference And Seminars	2,329
7521. Transport Gas	522
7523. Transport Meals	25
7524. Transport Other	2,243
Total 7500. Travel & Entertainment	13,557
7550. Repair and Maintenance	
7551. R & M Automotive	45
7552. R & M Buildings	36,529
Total 7550. Repair and Maintenance	36,574
7580. Rent/Lease	
7581. Rent Equipment	230
Total 7580. Rent/Lease	230
7600. Utilities	
7601. Telephone	430
7602. Telephone Long Distance	123
7603. Electric	9,084

# Woodridge of West Tennessee LLC

## Profit & Loss

January through December 2016

	Total 2016
7604. Water	633
7605. Sewer	1,174
7606. Natural Gas	918
7607. Waste	9,378
7609. Fuel - Generators	23
7610. Mobile Phones	3,810
7612. Cable	129
Total 7600. Utilities	25,702
7650. Insurance	
7651. Auto Insurance	570
7654. Professional Insurance	8,801
7655. Property Insurance	1,012
Total 7650. Insurance	10,383
7680. Bad Debt Expense	
7681. Bad Debt Exp	37,927
Total 7680. Bad Debt Expense	37,927
7700. Property Taxes	
7701. Property Taxes Real	1,702
7702. Property Taxes Personal	409
Total 7700. Property Taxes	2,111
7900. Other Operating Expenses	
7901. Taxes & Licenses	12,982
7902. Resident Supplies	8,381
7904. Resident Awards	46
7906. Overnight Mail	623
7907. Printing & Reproduction	294
7910. Late Fees/Charges	9
7913. Postage	326
7950. Miscellaneous Expenses	28
Total 7900. Other Operating Expenses	22,689
Total Expense	1,632,052
Net Ordinary Income	737,650
Other Income/Expense	
Other Expense	
8500 . Depreciation & Amort.	
8501 . Depreciation Exp.	153,171
Total 8500 . Depreciation & Amort.	153,171
Total Other Expense	153,171
Net Other Income	(153,171)
Net Income	584,479

**Attachment B. Contribution to Orderly Development.4.A.  
Current License and Accreditation**

STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES



**LICENSE**

THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES GRANTS THIS FULL LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

**WOODRIDGE OF WEST TENNESSEE**

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE  
PROVISION OF MENTAL HEALTH, PERSONAL SUPPORT,  
OR ALCOHOL AND DRUG ABUSE SERVICES:

**Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center**

(Name of Facility or Service as Known to the Public)

**49 Old Hickory Blvd, Jackson, TN 38305**

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND  
WITH RULES OF THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING  
DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED.

License Category	Accessible to mobile, non- ambulatory individuals	Approved for persons w		Capacity
		hearing loss	vision loss	
Mental Health Hospital	Y	n/a	n/a	16

April 01, 2016  
Effective Date

March 31, 2017  
Date License Expires

L000000017958  
License Number

  
Commissioner of Mental Health and Substance Abuse Services

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.  
POST THIS LICENSE IN A CONSPICUOUS PLACE.

17958

Site ID: 4768

# WoodRidge of West Tennessee LLC

Jackson, TN

has been Accredited by

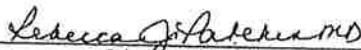


## The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the  
Hospital Accreditation Program

July 9, 2015

Accreditation is customarily valid for up to 36 months.



Rebecca J. Patchin, MD  
Chair, Board of Commissioners

ID #572088

Print/Reprint Date: 07/13/2015



Mark R. Chassin, MD, FACP, MPP, MPH  
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at [www.jointcommission.org](http://www.jointcommission.org).





November 9, 2015

Diane Gordon  
Executive Director  
WoodRidge of West Tennessee LLC  
49 Old Hickory Blvd.  
Jackson, TN 38305

Joint Commission ID #: 572088  
Program: Hospital Accreditation  
Accreditation Activity: Measure of Success  
Accreditation Activity Completed: 11/09/2015

Dear Ms. Gordon:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 11, 2015. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

**Attachment B.Contribution to Orderly Development.4.B.  
Survey and Plan of Correction  
and  
Joint Commission Report**



STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES  
West Tennessee Regional Office of Licensure

951 Court Avenue  
MEMPHIS, TENNESSEE 38103

BILL HASLAM  
GOVERNOR

E. DOUGLAS VARNEY  
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT

<b>LICENSEE:</b> Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center 49 Old Hickory Blvd	<b>Licensee ID:</b> 1915	<b>FACILITY:</b> Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center 49 Old Hickory Blvd	<b>Site ID:</b> 4768
---	--------------------------	---	----------------------

**NOTICE TO LICENSEE:** A review has been completed of your recently submitted plan of compliance. The approval status given your plan is indicated below. Read the approval status given below carefully. This approval status form and your plan of compliance should become part of your records.

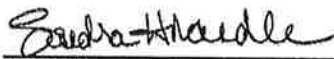
**DATE OF NOTICE / REPORT:** 03/21/16

**DATE OF ASSOCIATED NOTICE OF NON-COMPLIANCE:** 2/9/16

**COMPLIANCE EVENT & DATE:** Annual Inspection 2/2/16

Site ID: 4768 Event ID: 7,162

I. REVIEW OF PLAN OF NON-COMPLIANCE COMPLETED BY:



Sandy Randle, West Tennessee Licensure

II. APPROVAL STATUS OF PLAN OF NON-COMPLIANCE:

**POC Approved**

Your plan of compliance has been accepted. You are expected to meet the terms of your plan. Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a \$50 re-inspection fee.

EVENT SUMMARY

09450-5-02 Licensure Administration and Procedures	0 deficiencies
09450-5-04-.02 Life Safety: HealthCare Occupancies	1 deficiency
09450-5-04-.09 Life Safety: Mobile Non-ambulatory	0 deficiencies
09450-5-05-.02 Adequacy of Facility Environment and Ancillary Services (ALL FACILITIES)	7 deficiencies
09450-5-05-.03 Adequacy of Facility Environment & Ancillary Services (RESIDENTIAL)	1 deficiency
09450-5-05-.05 Adequacy of Facility Environment & Ancillary Services (FOOD SERVICE)	0 deficiencies
09450-5-05-.06 Adequacy of Facility Environment & Ancillary Services (TRANSPORTATION)	0 deficiencies
09450-5-06 Program Requirements for All Services and Facilities (DEEMED)	1 deficiency
09450-5-16 Mental Health Hospital Facilities	2 deficiencies
09450-5-16 Mental Health Hospital Facilities (DEEMED)	0 deficiencies





STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES  
West Tennessee Regional Office of Licensure

BILL HASLAM  
GOVERNOR

951 Court Avenue  
MEMPHIS, TENNESSEE 38103

E. DOUGLAS VARNEY  
COMMISSIONER

**LICENSURE NOTICE OF NON-COMPLIANCE**

**TO:** Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center  
49 Old Hickory Blvd  
Jackson, TN 38305

**DATE OF NOTICE:**  
February 09, 2016  
Page 1 of 5

**FACILITY IN NON-COMPLIANCE:** Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center  
49 Old Hickory Blvd  
Jackson, TN 38305  
**Plan of Compliance due by:** 2/23/16  
Site ID: 4768

**EVENT & DATE RESULTING  
IN THIS NOTICE:**  
Annual Inspection  
February 2, 2016

**NOTICE TO LICENSEE:** The facility above has been found to be non-compliant with the rule(s) listed herein. You must provide a plan for complying with each rule cited. Your plan of compliance may be specified in the space provided below or by separate document. If a separate document, your plan should reference each rule by item or rule number, must include the date by which you will be compliant, and an authorizing signature. Your plan must be received by the TDMHSAS regional office listed above by the date indicated herein.

PLEASE RETAIN A COPY OF YOUR PLAN OF COMPLIANCE UPON SUBMISSION  
IT WILL NOT BE RETURNED TO YOU BY THIS OFFICE

Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a \$50 re-inspection fee.

Item Rule Number Rule Description & Findings

event ID: 7,162

**0940-5-4 Life Safety Licensure Rules**

**0940-5-4-.02 HEALTH CARE OCCUPANCIES**

0940-5-4-.02(2) Criteria. For the purpose of life safety facilities required to meet Health Care Occupancies must comply with the applicable standards of the Life Safety Code of the National Fire Protection Association, 1985 Edition, Health Care Occupancies, Chapter 12 (new) or Chapter 13 (existing) or equivalent standards hereafter adopted by the Office of the State Fire Marshal.

\* critical \*

- 1 **Fire drills documented as being conducted during the 3rd shift actually occurred prior to or after the end of the 3rd shift, resulting in no drills being conducted during 3rd shift (11P-7A).**

Licensee's Planned Date of Completion: 02 / 17 / 16

2,754

Licensee's Plan of Compliance (use a separate page if more space is needed):

Fire Drill to be conducted between 11pm-7am on or before 2/17/16 with the 3rd shift being (11pm-7a) to included in quarterly drills.

**0940-5-5 Adequacy of Facility Environment and Ancillary Services**

**0940-5-5-.02 GENERAL ENVIRONMENTAL REQUIREMENTS FOR ALL FACILITIES.**

0940-5-5-.02(1) The facility must be maintained in a safe manner and a continuing effort made to eliminate potential hazards.

- 2 **Lint from more than one load of clothes was in the lint trap of the dryer, creating a potential fire hazard.**

Licensee's Planned Date of Completion: 02 / 04 / 16

2,552

Item Rule Number

Rule Description &amp; Findings

event ID: 7,162

**0940-5-5. Adequacy of Facility Environment and Ancillary Services**

	<p><b>Licensee's Plan of Compliance (use a separate page if more space is needed):</b></p> <p>Psychiatric Care Technicians on all shifts have been instructed to clean the lint trap after every load. The lint trap will be checked at the change of each shift to ensure compliance. The charge nurse on each shift is responsible for assigning and reviewing task assigned to Psychiatric Care Tech at the end of his/her shift. See attached assignment sheet. Sign to be posted above dryer reminding staff to clean the lint trap after every load.</p> <p>0940-5-5-.02(1) The facility must be maintained in a safe manner and a continuing effort made to eliminate potential hazards.</p>	
3	<p><b>A partially used bottle of milk was in the refrigerator in the nutrition room.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 4 / 1 6 4,588</p> <p><b>Licensee's Plan of Compliance (use a separate page if more space is needed):</b></p> <p>All staff have been instructed to discard any and all unused food/liquids for patients after each meal/snack. Patient refrigerator will be checked at the beginning of each shift by charge nurse for compliance.</p>	
4	<p>0940-5-5-.02(1) The facility must be maintained in a safe manner and a continuing effort made to eliminate potential hazards.</p> <p><b>A table in the activity room was missing a caster and had been propped up on a stack of magazines, creating a potential hazard.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 4 / 1 6 4,589</p> <p><b>Licensee's Plan of Compliance (use a separate page if more space is needed):</b></p> <p>Table in activity room was removed. Missing coaster to be replaced at which time table will be returned to activity room.</p>	
5	<p>0940-5-5-.02(1) The facility must be maintained in a safe manner and a continuing effort made to eliminate potential hazards.</p> <p><b>One of the ceiling tiles in the dirty linen room was covered with a thick accumulation of a black substance (mold?).</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 3 / 1 6 4,590</p> <p><b>Licensee's Plan of Compliance (use a separate page if more space is needed):</b></p> <p>The Ceiling tiles were immediately replaced. Environment rounds will be done each month by facilities Manager at which time repairs will be made. Psychiatric Care Technicians will do daily rounds and report any necessary issues/repairs to unit clerk who will submit work order.</p>	
6	<p>0940-5-5-.02(2) The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well-ventilated, and free from foul, stale or musty odors.</p> <p><b>The sink in the laundry room was dirty.</b></p>	

Item Rule Number

Rule Description &amp; Findings

event ID: 7,162

**0940-5-5 Adequacy of Facility Environment and Ancillary Services**

	<p>Licensee's Planned Date of Completion: 0 2 / 0 3 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>Environmental service technician to complete checklist daily, making note of any task not completed. Director of Nursing to monitor for compliance. Environmental rounds to be completed each shift by charge nurse and psychiatric care technician. Any uncleaned or dirty areas will be reported and addressed immediately.</p>	2.553
7	<p>0940-5-5-.02(2) The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well-ventilated, and free from foul, stale or musty odors.</p> <p><b>The toilet bowl in #5 was dirty.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 3 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>see above compliance plan and attached environmental checklist for daily cleaning</p>	4.584
8	<p>0940-5-5-.02(2) The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well-ventilated, and free from foul, stale or musty odors.</p> <p><b>Dead bugs were in the ceiling light in the conference room.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 5 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>dead bugs removed and ceiling light clean. Daily and monthly environmental rounds to be done. Staff to notify unit clerk of any immediate repairs. Unit clerk to submit work order and follow-up for compliance.</p>	4.585
9	<p>0940-5-5-.03 ENVIRONMENTAL REQUIREMENTS FOR RESIDENTIAL FACILITIES.</p> <p>Bathrooms must be provided within the facility which are equipped as follows:</p> <p>0940-5-5-.03(4)(e) Adequate and sanitary soap and towels provided at each lavatory; and</p> <p><b>Towels were not provided at the lavatory in Bedroom #4.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 3 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>see compliance plan listed in section six and attached environmental checklist for daily cleaning.</p>	2.588
<b>0940-5-6 Program Requirements for All Facilities</b>		
	0940-5-6-.01 GOVERNANCE REQUIREMENTS FOR ALL FACILITIES.	

Item Rule Number

Rule Description &amp; Findings

event ID:7,162

**0940-5-6 Program Requirements for All Facilities**

- |    |  |       |
|----|--|-------|
| 10 | <p>0940-5-6-.01(1) The governing body must ensure that the facility complies with all applicable federal, state, and local laws, ordinances, rules, and regulations.</p>   |       |
|    | <p><b>There was no documentation of a criminal background check within 10 days of employment or check of the TN Abuse Registry prior to providing direct care in the personnel record for Dr. Akinwumiju.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 5 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>Dr Akinwumiju has signed consent and release forms for background. Background check in progress. to conduct monthly personnel audits to to monitor and ensure compliance.</p> | 2,655 |

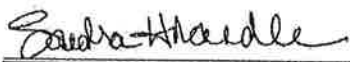
**0940-5-16 Mental Health Hospital Facilities**

- |    |   |     |
|----|---|-----|
|    | <p>0940-5-16-.15 HOSPITAL CENTRAL STERILE SUPPLY AND CONTROL</p>  |     |
| 11 | <p>0940-5-16-.15(10) Storage must be provided for keeping equipment and supplies in a clean, convenient and orderly manner.</p> <p><b>Patient supplies were stored in a storage room in a haphazard manner.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 5 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>Storage room has been cleaned and organized. inventory list developed to ensure proper stock for space. review of storage room to be added to environmental rounds to ensure it remains neat and organized.</p>  | 241 |
| 12 | <p>0940-5-16-.16 HOSPITAL LAUNDRY PLAN REQUIREMENTS</p> <p>The laundry facility within the hospital must comply with the following:</p> <p>0940-5-16-.16(1)(e) Space must be provided for storage of clean linen within nursing units and for bulk storage within a clean area of the hospital;</p> <p><b>Bags of clean linen had been left in an empty patient's bedroom on the beds rather than an area designated only for bulk storage of clean linen.</b></p> <p>Licensee's Planned Date of Completion: 0 2 / 0 4 / 1 6</p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p>clean linen was removed and returned to laundry company. inventory list developed to ensure that the right quantity of linen is ordered to accommodate the designated space for storage of linen.</p> | 249 |

NOTICE TO: Woodridge of West Tennessee

Date: 02/09/2016 Page 5 of 5

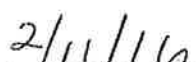
Please contact me if you have questions.



Sandy Randle  
West Tennessee Surveyor



SIGNATURE OF LICENSEE OR AUTHORIZED AGENT



DATE OF SIGNATURE

**NOTICE TO LICENSEE:** Please note that the finding of deficiencies herein may subject you to Department issued civil penalties, pursuant to Tenn. Code Ann. § 33-2-409. Civil penalties are issued based off of the severity of the violation(s) or the repeat offense of such violation(s). A department representative will contact you, pursuant to Tenn. Code Ann. § 33-2-411, if you are subject to such a sanction.



## **Official Accreditation Report**

WoodRidge of West Tennessee LLC  
49 Old Hickory Blvd.  
Jackson, TN 38305

**Organization Identification Number: 572088**

**Initial Unannounced Full Event: 6/8/2015 - 6/10/2015**

## Report Contents

### Executive Summary

#### Requirements for Improvement

Observations noted within the Requirements for Improvement (RFI) section require follow up through the Evidence of Standards Compliance (ESC) process. The timeframe assigned for completion is due in either 45 or 60 days, depending upon whether the observation was noted within a direct or indirect impact standard. The identified timeframes of submission for each observation are found within the Requirements for Improvement Summary portion of the final onsite survey report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame for performing the unannounced follow-up visit is dependent on the scope and severity of the issues identified within the Requirements for Improvement.

#### Opportunities for Improvement

Observations noted within the Opportunities for Improvement (OFI) section of the report represent single instances of non-compliance noted under a C category Element of Performance. Although these observations do not require official follow up through the Evidence of Standards Compliance (ESC) process, they are included to provide your organization with a robust analysis of all instances of non-compliance noted during survey.

#### Plan for Improvement

The Plan for Improvement (PFI) items were extracted from your Statement of Conditions™ (SOC) and represent all open and accepted PFIs during this survey. The number of open and accepted PFIs does not impact your accreditation status, and is fully in sync with the self-assessment process of the SOC. The implementation of Interim Life Safety Measures (ILSM) must have been assessed for each PFI. The Projected Completion Date within each PFI replaces the need for an individual ESC (Evidence of Standards Compliance) so the corrective action must be achieved within six months of the Projected Completion Date. Future surveys will review the completed history of these PFIs.

## The Joint Commission

### Executive Summary

**Program(s)**

Hospital Accreditation

**Survey Date(s)**

06/08/2015-06/10/2015

**Hospital Accreditation :**

As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.



## The Joint Commission

### Requirements for Improvement – Summary

Observations noted within the Requirements for Improvement (RFI) section require follow up through the Evidence of Standards Compliance (ESC) process. The timeframe assigned for completion is due in either 45 or 60 days, depending upon whether the observation was noted within a direct or indirect impact standard. The identified timeframes of submission for each observation are found within the Requirements for Improvement Summary portion of the final onsite survey report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame for performing the unannounced follow-up visit is dependent on the scope and severity of the issues identified within the Requirements for Improvement.

**Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:**

<b>Program:</b>	Hospital Accreditation Program	
<b>Standards:</b>	EC.02.05.05	EP3,EP5
	EC.02.05.07	EP5
	MM.01.02.01	EP2
	MM.04.01.01	EP8,EP13
	NPSG.15.01.01	EP1
	PC.01.03.01	EP1,EP5,EP22
	PC.02.01.03	EP20
	WT.03.01.01	EP5

**Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:**

<b>Program:</b>	Hospital Accreditation Program	
<b>Standards:</b>	APR.04.01.01	EP11
	EC.02.03.05	EP13
	HR.01.02.05	EP1
	IC.02.01.01	EP1
	LD.04.03.09	EP5
	LS.02.01.10	EP9
	MS.01.01.01	EP5

## The Joint Commission

**Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:**

MS.03.01.01	EP6
MS.06.01.03	EP6
MS.06.01.05	EP7,EP8
MS.08.01.01	EP1
MS.08.01.03	EP1
PC.01.02.03	EP4
PC.02.03.01	EP1
RC.01.01.01	EP19
RC.01.02.01	EP4

## The Joint Commission Summary of CMS Findings

**CoP:** §482.11      **Tag:** A-0020      **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.11 Condition of Participation: Compliance with Federal, State and Local Laws

CoP Standard	Tag	Corresponds to	Deficiency
§482.11(c)	A-0023	HAP - HR.01.02.05/EP1	Standard

**CoP:** §482.23      **Tag:** A-0385      **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(c)(3)	A-0406	HAP - MM.04.01.01/EP13	Standard

**CoP:** §482.24      **Tag:** A-0431      **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)(2)	A-0450	HAP - RC.01.02.01/EP4	Standard
§482.24(c)(1)	A-0450	HAP - RC.01.01.01/EP19	Standard

**CoP:** §482.41      **Tag:** A-0700      **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.10/EP9	Standard
§482.41(c)(2)	A-0724	HAP - EC.02.03.05/EP13, EC.02.05.05/EP3, EP5, EC.02.05.07/EP5	Standard

**CoP:** §482.42      **Tag:** A-0747      **Deficiency:** Standard

**Corresponds to:** HAP - IC.02.01.01/EP1

## The Joint Commission Summary of CMS Findings

**Text:** §482.42 Condition of Participation: Infection Control

The hospital must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active program for the prevention, control, and investigation of infections and communicable diseases.

---

**CoP:** §482.61 **Tag:** B103 **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.61 Condition of Participation: Special medical record requirements for psychiatric hospitals.

The medical records maintained by a psychiatric hospital must permit determination of the degree and intensity of the treatment provided to individuals who are furnished services in the institution.

CoP Standard	Tag	Corresponds to	Deficiency
§482.61(c)(1)(ii)	B121	HAP - PC.01.03.01/EP5	Standard
§482.61(a)(5)	B109	HAP - PC.01.02.03/EP4	Standard
§482.61(c)(1)(iii)	B122	HAP - PC.01.03.01/EP5	Standard
§482.61(d)	B132	HAP - PC.01.03.01/EP22	Standard

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**CoP:** §482.62 **Tag:** B136 **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.62 Condition of Participation: Special staff requirements for psychiatric hospitals.

The hospital must have adequate numbers of qualified professional and supportive staff to evaluate patients, formulate written, individualized comprehensive treatment plans, provide active treatment measures, and engage in discharge planning.

CoP Standard	Tag	Corresponds to	Deficiency
§482.62(a)(2)	B138	HAP - PC.01.03.01/EP1	Standard

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**CoP:** §482.21 **Tag:** A-0263 **Deficiency:** Standard

**Corresponds to:** HAP - LD.04.03.09/EP5

**Text:** §482.21 Condition of Participation: Quality Assessment and Performance Improvement Program

The hospital must develop, implement, and maintain an effective, ongoing, hospital-wide, data-driven quality assessment and performance improvement program. The hospital's governing body must ensure that the program reflects the complexity of the hospital's organization and services; involves all hospital departments and services (including those services furnished under contract or arrangement); and focuses on indicators related to improved health outcomes and the prevention and reduction of medical errors. The hospital must maintain and demonstrate evidence of its QAPI program for review by CMS.

**The Joint Commission  
Summary of CMS Findings**

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**CoP:** §482.22      **Tag:** A-0338      **Deficiency:** Standard

**Corresponds to:** HAP

**Text:** §482.22 Condition of Participation: Medical staff

The hospital must have an organized medical staff that operates under bylaws approved by the governing body, and which is responsible for the quality of medical care provided to patients by the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.22(c)	A-0353	HAP - MS.01.01.01/EP5	Standard
§482.22(a)(1)	A-0340	HAP - MS.08.01.03/EP1	Standard
§482.22(a)(2)	A-0341	HAP - MS.06.01.03/EP6	Standard

---

## The Joint Commission

### Requirements for Improvement – Detail

Chapter: Accreditation Participation Requirements

Program: Hospital Accreditation

Standard: APR.04.01.01

ESC 60 days

Standard Text: The hospital selects and uses core performance measure sets from among those available through its listed ORYX® vendor.  
Note 1: If core measures are not applicable, the hospital identifies clinical measures based on current ORYX® requirements.  
Note 2: Hospitals are encouraged to keep up-to-date on any changes in the ORYX® requirements by reviewing recent issues of The Joint Commission Perspectives® or by going to the 'Performance Measurement' area on The Joint Commission website at <http://www.jointcommission.org>.

Element(s) of Performance:

11. The hospital selects a sufficient number of core performance measure sets to meet current ORYX® requirements.



Scoring Category : A

Score : Insufficient Compliance

Observation(s):

EP 11

**Observed in Data Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. The organization had not selected the core performance measure sets to meet ORYX requirements.**

---

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.03.05

ESC 60 days

Standard Text: The hospital maintains fire safety equipment and fire safety building features.  
Note: This standard does not require hospitals to have the types of fire safety equipment and building features described below. However, if these types of equipment or features exist within the building, then the following maintenance, testing, and inspection requirements apply.

## The Joint Commission

### Element(s) of Performance:

13. Every 6 months, the hospital inspects any automatic fire-extinguishing systems in a kitchen. The completion dates of the inspections are documented.

Note 1: Discharge of the fire-extinguishing systems is not required.

Note 2: For additional guidance on performing inspections, see NFPA 96, 1998 edition.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

EP 13

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The semiannual inspections for the kitchen automatic fire-extinguishing system were done on 2/12/14 and 9/29/14. The length of time between these inspections were greater than the allowable time of +/- 20 days from the date of the previous inspection.**

---

Chapter: Environment of Care  
Program: Hospital Accreditation  
Standard: EC.02.05.05

ESC 45 days

Standard Text: The hospital inspects, tests, and maintains utility systems.  
Note: At times, maintenance is performed by an external service. In these cases, hospitals are not required to possess maintenance documentation but must have access to such documentation during survey and as needed.

## The Joint Commission

### Element(s) of Performance:

3. The hospital inspects, tests, and maintains the following: High-risk utility system components on the inventory. These activities are documented.  
(See also EC.02.05.01, EPs 2 and 4)  
Note: High-risk utility system components includes life-support utility system components.



Scoring Category : A

Score : Insufficient Compliance

5. The hospital inspects, tests, and maintains the following: Non-high-risk utility system components on the inventory. These activities are documented.  
(See also EC.02.05.01, EPs 2 and 4)



Scoring Category : C

Score : Partial Compliance

### Observation(s):

#### EP 3

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The organization did not have a written inventory of pull stations, water flow devices, valve tamper devices, heat detectors, audio/visual devices, or fire department connections.**

#### EP 5

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

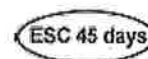
**The organization did not have a written inventory of magnetic door hold-open devices.**

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The organization did not have a written inventory of fire and smoke dampers.**

---

Chapter: Environment of Care  
Program: Hospital Accreditation  
Standard: EC.02.05.07





## The Joint Commission

### Standard Text:

The hospital inspects, tests, and maintains emergency power systems.

Note: This standard does not require hospitals to have the types of emergency power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection requirements apply.

### Element(s) of Performance:

5. The monthly tests for diesel-powered emergency generators are conducted with a dynamic load that is at least 30% of the nameplate rating of the generator or meets the manufacturer's recommended prime movers' exhaust gas temperature. If the hospital does not meet either the 30% of nameplate rating or the recommended exhaust gas temperature during any test in EC.02.05.07, EP 4, then it must test the emergency generator once every 12 months using supplemental (dynamic or static) loads of 25% of nameplate rating for 30 minutes, followed by 50% of nameplate rating for 30 minutes, followed by 75% of nameplate rating for 60 minutes, for a total of 2 continuous hours.

Note: Tests for non-diesel-powered generators need only be conducted with available load.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

EP 5

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC | 49 Old Hickory Blvd., Jack (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Monthly generator tests did not document the dynamic load at the time of the test.**

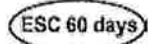
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Chapter: Human Resources

Program: Hospital Accreditation

Standard: HR.01.02.05

Standard Text: The hospital verifies staff qualifications.



## The Joint Commission

### Element(s) of Performance:

1. When law or regulation requires care providers to be currently licensed, certified, or registered to practice their professions, the hospital both verifies these credentials with the primary source and documents this verification when a provider is hired and when his or her credentials are renewed. (See also HR.01.02.07, EP 2)

Note 1: It is acceptable to verify current licensure, certification, or registration with the primary source via a secure electronic communication or by telephone, if this verification is documented.

Note 2: A primary verification source may designate another agency to communicate credentials information. The designated agency can then be used as a primary source.

Note 3: An external organization (for example, a credentials verification organization [CVO]) may be used to verify credentials information. A CVO must meet the CVO guidelines identified in the Glossary.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

#### EP 1

§482.11(c) - (A-0023) - (c) The hospital must assure that personnel are licensed or meet other applicable standards that are required by State or local laws.

This Standard is NOT MET as evidenced by:

**Observed in HR File Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Primary source verification had not been completed for the contract Dietitian licensure and registration upon hire. The Tennessee for Licensed Dietitian/ Nutritionist verification and the Commission on Dietetic Registration had not been found and verification was obtained during the survey.**

**Observed in HR File Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Primary source verification had not been found for the DON upon hire 02/29/2015. The HR staff reported the office had been moved and the verification may have been misplaced. The primary source had been completed late on 06/02/2015.**

**Observed in HR File Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Primary source verification had not been found for a Music Therapist- Board Certified upon hire. The verification had been completed late on 06/09/2015.**

**Observed in HR File Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Primary source verification had not been found upon renewal of an LMSW 05/31/2015. License was verified during survey.**

## The Joint Commission

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Chapter: Infection Prevention and Control

Program: Hospital Accreditation

Standard: IC.02.01.01

ESC 60 days

Standard Text: The hospital implements its infection prevention and control plan.

Element(s) of Performance:

1. The hospital implements its infection prevention and control activities, including surveillance, to minimize, reduce, or eliminate the risk of infection.



Scoring Category : C

Score : Partial Compliance

Observation(s):

EP 1

§482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control

This Standard is NOT MET as evidenced by:

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The organization did not have a process or documentation for testing the dishwasher rinse and wash cycles. During the survey, training, competency, and logs were implemented for testing the rinse and wash cycles of the dishwasher. All dietary staff(5) were trained.**

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The organization did not have documentation of sanitizer usage or testing strip results for the 3 part dishwashing sink. During the survey, all dietary staff were trained and a documentation of the test strip results was implemented.**

---

Chapter: Leadership

Program: Hospital Accreditation

Standard: LD.04.03.09

ESC 60 days

Standard Text: Care, treatment, and services provided through contractual agreement are provided safely and effectively.

## The Joint Commission

### Element(s) of Performance:

5. Leaders monitor contracted services by communicating the expectations in writing to the provider of the contracted services.

Note: A written description of the expectations can be provided either as part of the written agreement or in addition to it.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

EP 5

§482.21 - (A-0263) - §482.21 Condition of Participation: Condition of Participation: Quality Assessment and Performance Improvement Program

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The lab contract did not have performance measurements the organization was monitoring.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

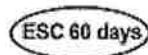
**The X-ray contract did not have performance measurements the organization was monitoring.**

---

Chapter: Life Safety

Program: Hospital Accreditation

Standard: LS.02.01.10



Standard Text: Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.

### Element(s) of Performance:

9. The space around pipes, conduits, bus ducts, cables, wires, air ducts, or pneumatic tubes that penetrate fire-rated walls and floors are protected with an approved fire-rated material.

Note: Polyurethane expanding foam is not an accepted fire-rated material for this purpose. (For full text and any exceptions, refer to NFPA 101-2000: 8.2.3.2.4.2)



Scoring Category : C

Score : Partial Compliance

### Observation(s):

## The Joint Commission

### EP 9

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Above the ceiling at the cross-corridor doors by Activity Room #2, two large water pipes were not protected with an approved fire-rated material.**

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**Above the ceiling at the cross-corridor doors by Activity Room #2, two 1 inch pipes were not protected with an approved fire-rated material.**

---

Chapter: Medical Staff

Program: Hospital Accreditation

Standard: MS.01.01.01

ESC 60 days

Standard Text: Medical staff bylaws address self-governance and accountability to the governing body.

Element(s) of Performance:

5. The medical staff complies with the medical staff bylaws, rules and regulations, and policies.



Scoring Category : A

Score : Insufficient Compliance

Observation(s):

## The Joint Commission

### EP 5

§482.22(c) - (A-0353) - §482.22(c) Standard: Medical Staff Bylaws

The medical staff must adopt and enforce bylaws to carry out its responsibilities.

The bylaws must:

This Standard is NOT MET as evidenced by:

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The bylaws state physicians must live within 1 hour of the hospital. One of the physicians lived in Memphis an hour and a half away. The last day of the survey, the by laws were revised to delete the statement, approved by the Medical staff and Governing Board.**

---

Chapter: Medical Staff

Program: Hospital Accreditation

Standard: MS.03.01.01

ESC 60 days

Standard Text: The organized medical staff oversees the quality of patient care, treatment, and services provided by practitioners privileged through the medical staff process.

#### Element(s) of Performance:

6. The organized medical staff specifies the minimal content of medical histories and physical examinations, which may vary by setting or level of care, treatment, and services. (See also PC.01.02.03, EP 4)



Scoring Category : A

Score : Insufficient Compliance

Observation(s):

### EP 6

**Observed in Document Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

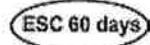
**The bylaws, rules and regulations did not define minimal content. During the last day of the survey, the content of the H&P was specified and added to the by-laws, approved by the medical staff and Governing Board.**

---

Chapter: Medical Staff

## The Joint Commission

Program: Hospital Accreditation  
Standard: MS.06.01.03  
Standard Text: The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.



### Element(s) of Performance:

6. The credentialing process requires that the hospital verifies in writing and from the primary source whenever feasible, or from a credentials verification organization (CVO), the following information:



- The applicant's current licensure at the time of initial granting, renewal, and revision of privileges, and at the time of license expiration
  - The applicant's relevant training
  - The applicant's current competence
- (See also PC.03.01.01, EP 1)

Scoring Category : A  
Score : Insufficient Compliance

### Observation(s):

#### EP 6

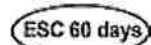
§482.22(a)(2) - (A-0341) - (2) The medical staff must examine the credentials of all eligible candidates for medical staff membership and make recommendations to the governing body on the appointment of these candidates in accordance with State law, including scope-of-practice laws, and the medical staff bylaws, rules, and regulations. A candidate who has been recommended by the medical staff and who has been appointed by the governing body is subject to all medical staff bylaws, rules, and regulations, in addition to the requirements contained in this section. This Standard is NOT MET as evidenced by:

**Observed in Medical Management Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**One physician did not have primary source verification in his file. This was corrected on site.**

---

Chapter: Medical Staff  
Program: Hospital Accreditation  
Standard: MS.06.01.05  
Standard Text: The decision to grant or deny a privilege(s), and/or to renew an existing privilege(s), is an objective, evidence-based process.



## The Joint Commission

### Element(s) of Performance:

7. The hospital queries the National Practitioner Data Bank (NPDB) when clinical privileges are initially granted, at the time of renewal of privileges, and when a new privilege(s) is requested.



Scoring Category : A

Score : Insufficient Compliance

8. Peer recommendation includes written information regarding the practitioner's current:

- Medical/clinical knowledge
- Technical and clinical skills
- Clinical judgment
- Interpersonal skills
- Communication skills
- Professionalism



Note: Peer recommendation may be in the form of written documentation reflecting informed opinions on each applicant's scope and level of performance, or a written peer evaluation of practitioner-specific data collected from various sources for the purpose of validating current competence.

Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

#### EP 7

**Observed in Medical Management Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**The hospital had not queried the NPDB for any of the three practitioners, as they had technical difficulties with their registration with the NPDB. This was corrected on site.**

#### EP 8

**Observed in Medical Management Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

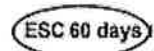
**The internist did not have any peer recommendations in his credentialing file.**

---

Chapter: Medical Staff

Program: Hospital Accreditation

Standard: MS.08.01.01



Standard Text: The organized medical staff defines the circumstances requiring monitoring and evaluation of a practitioner's professional performance.



## The Joint Commission

### Element(s) of Performance:

1. A period of focused professional practice evaluation is implemented for all initially requested privileges.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

EP 1

**Observed in Medical Management Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**There was not a defined process of FPPE given the hospital has only been open 2 months, all practitioners should be on FPPE, but the policy was in the process of being developed.**

---

Chapter: Medical Staff

Program: Hospital Accreditation

Standard: MS.08.01.03

ESC 60 days

Standard Text: Ongoing professional practice evaluation information is factored into the decision to maintain existing privilege(s), to revise existing privilege(s), or to revoke an existing privilege prior to or at the time of renewal.

### Element(s) of Performance:

1. The process for the ongoing professional practice evaluation includes the following: There is a clearly defined process in place that facilitates the evaluation of each practitioner's professional practice.



Scoring Category : A

Score : Insufficient Compliance

### Observation(s):

EP 1

§482.22(a)(1) - (A-0340) - (1) The medical staff must periodically conduct appraisals of its members.

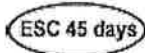
This Standard is NOT MET as evidenced by:

**Observed in Medical Management Session at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The organization was still developing their OPPE process and policy.**

## The Joint Commission

---

Chapter: Medication Management  
Program: Hospital Accreditation  
Standard: MM.01.02.01   
Standard Text: The hospital addresses the safe use of look-alike/sound-alike medications.

Element(s) of Performance:

2. The hospital takes action to prevent errors involving the interchange of the medications on its list of look-alike/sound-alike medications.

Note: This element of performance is also applicable to sample medications.



Scoring Category : A  
Score : Insufficient Compliance

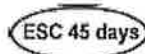
Observation(s):

EP 2

**Observed in Medication Management Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**The pharmacist stated that there was no special handling of look alike sound alike medications. However, the policy suggest that Tall Man lettering should be used. In review of the medication cart despite having several look alike/sound alike medications, there was no Tall Man lettering.**

---

Chapter: Medication Management  
Program: Hospital Accreditation  
Standard: MM.04.01.01   
Standard Text: Medication orders are clear and accurate.

## The Joint Commission

### Element(s) of Performance:

8. The hospital prohibits summary (blanket) orders to resume previous medications.



Scoring Category : A

Score : Insufficient Compliance

13. The hospital implements its policies for medication orders.



Scoring Category : C

Score : Partial Compliance

Observation(s):

## The Joint Commission

### EP 8

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.

A telephone medication order for a female patient had stated to start all physical medications on 05/30/2015 in AM that were not available out of the night cabinet. The order had not been specific and against policy of prohibited use of a blanket order.

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.

A telephone medication order on 05/31/2016 for a female patient had stated to change all physical medication times from 8 pm to 7 p.m. and give before going to bed. The order had identified a listing of medications, however they had not been specific and against policy of prohibited use of a blanket order.

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.

A second telephone medication order on 05/31/2016 for a female patient had stated to change all physical medication times from 8 pm to 7 p.m. and give before going to bed. The order had identified a different listing of medications, however they had not been specific and against policy of prohibited use of a blanket order.

### EP 13

§482.23(c)(3) - (A-0406) - (3) With the exception of influenza and pneumococcal polysaccharide vaccines, which may be administered per physician-approved hospital policy after an assessment of contraindications, orders for drugs and biologicals must be documented and signed by a practitioner who is authorized to write orders in accordance with State law and hospital policy, and who is responsible for the care of the patient as specified under §482.12(c).

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.

A telephone medication order on 05/31/2016 for a female patient had stated to change all physical medication times from 8 pm to 7 p.m. and give before going to bed. The order had identified a listing of medications, however the list had not contained the elements of complete orders as identified by policy.

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.

A second telephone medication order on 05/31/2016 for a female patient had stated to change all medication times from 8 pm to 7 p.m. and give before going to bed. The order had identified a listing of medications, however the list of medications had not contained the elements of complete orders as identified by policy.

---

Chapter: National Patient Safety Goals

Program: Hospital Accreditation

Standard: NPSG.15.01.01

ESC 45 days

Standard Text: Identify patients at risk for suicide.

Note: This requirement applies only to psychiatric hospitals and patients being treated for emotional or behavioral disorders in general hospitals.

## The Joint Commission

### Element(s) of Performance:

1. Conduct a risk assessment that identifies specific patient characteristics and environmental features that may increase or decrease the risk for suicide.



Scoring Category : C

Score : Insufficient Compliance

### Observation(s):

EP 1

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**The risk assessment for a female patient had not identified specific patient characteristics that would decrease the risk of suicide.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**The risk assessment for a male patient had not identified specific patient characteristics that would decrease the risk of suicide.**

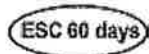
**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**  
**The risk assessment for a discharged female patient had not identified specific patient characteristics that would decrease the risk of suicide.**

---

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.01.02.03



Standard Text: The hospital assesses and reassesses the patient and his or her condition according to defined time frames.

### Element(s) of Performance:

4. The patient receives a medical history and physical examination no more than 30 days prior to, or within 24 hours after, registration or inpatient admission, but prior to surgery or a procedure requiring anesthesia services. (See also MS.03.01.01, EP 6; RC.02.01.03, EP 3)



Scoring Category : C

Score : Partial Compliance

### Observation(s):

## The Joint Commission

EP 4

§482.61(a)(5) - (B109) - (5) When indicated, a complete neurological examination must be recorded at the time of the admission physical examination.

This Standard is NOT MET as evidenced by:

**Observed in Record Review at WoodRidge of West Tennessee LLC | 49 Old Hickory Blvd., Jack (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The H and P did not include a Cranial Nerve assessment for a geriatric psychiatric patient.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The h and p for another geriatric psychiatric patient did not contain and cranial nerve exam in the file.**

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Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.01.03.01

ESC 45 days

Standard Text: The hospital plans the patient's care.

Element(s) of Performance:

1. The hospital plans the patient's care, treatment, and services based on needs identified by the patient's assessment, reassessment, and results of diagnostic testing. (See also RC.02.01.01, EP 2 and PC.01.02.13, EP 2)



Scoring Category : C

Score : Insufficient Compliance

5. The written plan of care is based on the patient's goals and the time frames, settings, and services required to meet those goals.

Note: For psychiatric hospitals that use Joint Commission accreditation for deemed status purposes: The patient's goals include both short- and long-term goals.



Scoring Category : A

Score : Insufficient Compliance

22. Based on the goals established in the patient's plan of care, staff evaluate the patient's progress.



Scoring Category : C

Score : Insufficient Compliance

Observation(s):

## The Joint Commission

### EP 1

§482.62(a)(2) - (B138) - (2) Formulate written individualized, comprehensive treatment plans;

This Standard is NOT MET as evidenced by:

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The assessment data for a female patient had identified depression, anxiety, and paranoia, however these needs had not been identified on the treatment plan. In discussion with staff, the treatment plan had been identified as a PI project. A treatment has been developed, however had not been implemented.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The assessment data for a male patient had identified paranoia and auditory hallucinations, however these needs had not been identified on the treatment plan. In discussion with staff, the treatment plan had been identified as a PI project. A new treatment plan has been developed, however had not been implemented.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The assessment data for a female patient had identified depression, anxiety, and psychosis, however these needs had not been identified on the treatment plan. In discussion with staff, the treatment plan had been identified as a PI project. A new treatment plan format has been developed, however had not been implemented.**

### EP 5

§482.61(c)(1)(ii) - (B121) - (ii) Short-term and long-range goals;

This Standard is NOT MET as evidenced by:

§482.61(c)(1)(iii) - (B122) - (iii) The specific treatment modalities utilized;

This Standard is NOT MET as evidenced by:

## **The Joint Commission**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**For one patient the only goal stated was to reduce confusion. The goal did not have any specific measures.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**For another patient she had 3 goals, but none were specific nor measurable. The goals included to reduce chronic pain.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The treatment plan had 2 general goals which were not measurable and did not contain time frames. The first goal was to reduce hallucinations and the second to reduce symptoms.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The treatment plan had 2 general goals that did not have timeframes or measurable goals. the first was to "reduce symptoms" and the second goal was to "reduce aggression."**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The written plan of care for a female patient had identified long term and short term goals related to medication, however had not developed long term and short term goals related to anxious, depressive, and psychotic behavior.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The written plan of care for a second female patient had identified long term and short term goals related to medication, however had not developed long term and short term goals related to paranoia, and auditory hallucinations.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The treatment interventions identified in the treatment plan for a male patient had listed social groups, and recreation, however had not identified the specific named group modality and focus of the group to meet the needs of the patient.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The treatment interventions identified in the treatment plan for a female patient had listed social groups, and recreation, however had not identified the specific named group modality and focus of the group to meet the needs of the patient.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The treatment interventions identified in the treatment plan for a second female patient had listed social groups, and recreation, however had not identified the specific named group modality and focus of the group to meet the needs of the patient.**

**EP 22**

**§482.61(d) - (B132) - §482.61(d) a precise assessment of the patient's progress in accordance with the original or revised treatment plan.**

**This Standard is NOT MET as evidenced by:**



## The Joint Commission

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.

A goal in the treatment plan of a male patient had not been stated to evaluate progress. One goal had been medication compliance, which had not been specific to provide a precise assessment of progress.

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.

A goal in the treatment plan of a female patient had not been stated to evaluate progress. One goal had been medication compliance, which had not been specific to provide a precise assessment of progress.

Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.

A goal in the treatment plan of a second female patient had not been stated to evaluate progress. The goal had been to reduce aggression, which had not been specific to provide a precise assessment of progress.

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Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.02.01.03

ESC 45 days

Standard Text: The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation.

Element(s) of Performance:

20. Before taking action on a verbal order or verbal report of a critical test result, staff uses a record and 'read back' process to verify the information.



Scoring Category : C

Score : Insufficient Compliance

Observation(s):

EP 20

Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. A telephone order on 04/25/2015 at 9:30 related to transfer of a female patient for fall and head injury had not identified a read back and verified per policy.

Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. A second telephone order on 04/25/2015 at 8:47 pm related to transfer of the same female patient with a second fall and head injury had not identified a read back and verified per policy.

Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. A verbal medication order on 04/25/2015 of Ativan 1 mg IM x1 now for extreme agitation and combativeness for a female patient had not identified a read back and verified per policy.

## The Joint Commission

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Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.02.03.01

ESC 60 days

Standard Text: The hospital provides patient education and training based on each patient's needs and abilities.

Element(s) of Performance:

1. The hospital performs a learning needs assessment for each patient, which includes the patient's cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations, and barriers to communication.



Scoring Category : C

Score : Insufficient Compliance

Observation(s):

EP 1

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**A learning needs assessment of cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations and barriers to communication that affect the learning process had not been found in the record of a female. This assessment data would be important in providing individual and group treatment.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**A learning needs assessment of cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations and barriers to communication that affect the learning process had not been found in the record of a second female. This assessment data would be important in providing individual and group treatment.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**A learning needs assessment of cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations and barriers to communication that affect the learning process had not been found in the record of a male patient. This assessment data would be important in providing individual and group treatment.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**

**A learning needs assessment of cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations and barriers to communication that affect the learning process had not been found in the record of a 3 more patients. This assessment data would be important in providing individual and group treatment.**

## The Joint Commission

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.01.01

ESC 60 days

Standard Text: The hospital maintains complete and accurate medical records for each individual patient.

Element(s) of Performance:

19. For hospitals that use Joint Commission accreditation for deemed status purposes: All entries in the medical record, including all orders, are timed.



Scoring Category : C

Score : Insufficient Compliance

Observation(s):

EP 19

§482.24(c)(1) - (A-0450) - (1) All patient medical record entries must be legible, complete, dated, timed, and authenticated in written or electronic form by the person responsible for providing or evaluating the service provided, consistent with hospital policies and procedures.

This Standard is NOT MET as evidenced by:

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**The H and P of a one female patient had been dated but not timed.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**One patients admission order set had been dated but not timed.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**One patient had a dated, but not timed H and P.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**One record reviewed did not have the discharge summary or the intake worksheet timed.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**For another closed record a set of orders had been dated but not timed.**

---

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.02.01

ESC 60 days

## The Joint Commission

Standard Text: Entries in the medical record are authenticated.

### Element(s) of Performance:

4. Entries in the medical record are authenticated by the author. Information introduced into the medical record through transcription or dictation is authenticated by the author.

Note 1: Authentication can be verified through electronic signatures, written signatures or initials, rubber-stamp signatures, or computer key.

Note 2: For paper-based records, signatures entered for purposes of authentication after transcription or for verbal orders are dated when required by law or regulation or hospital policy. For electronic records, electronic signatures will be date-stamped.

Note 3: For hospitals that use Joint Commission accreditation for deemed status purposes: All orders, including verbal orders, are dated and authenticated by the ordering practitioner or another practitioner who is responsible for the care of the patient, and who, in accordance with hospital policy; law and regulation; and medical staff bylaws, rules, and regulations, is authorized to write orders.



Scoring Category : C

Score : Insufficient Compliance

Observation(s):

## The Joint Commission

EP 4

§482.24(c)(2) - (A-0450) - (2) All orders, including verbal orders, must be dated, timed, and authenticated promptly by the ordering practitioner or by another practitioner who is responsible for the care of the patient only if such a practitioner is acting in accordance with State law, including scope-of-practice laws, hospital policies, and medical staff bylaws, rules, and regulations.

This Standard is NOT MET as evidenced by:

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**A telephone medication order on 04/23/2015 for a female patient had been authenticated and dated, however had not been timed. Time would be important for determination of physician required authentication within 72 hours.**

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**A telephone medication order on 04/24/2015 for a female patient had been authenticated and dated, however had not been timed. Time would be important for determination of physician required authentication within 72 hours.**

**Observed in Individual Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site for the Psychiatric Hospital deemed service.**

**A telephone medication order on 05/29/2015 for a female patient had been authenticated and dated, however had not been timed. Time would be important for determination of physician required authentication within 72 hours and to meet COP.**

---

Chapter: Waived Testing

Program: Hospital Accreditation

Standard: WT.03.01.01

ESC 45 days

Standard Text: Staff and licensed independent practitioners performing waived tests are competent.

Element(s) of Performance:

5. Competency for waived testing is assessed using at least two of the following methods per person per test:

- Performance of a test on a blind specimen
- Periodic observation of routine work by the supervisor or qualified designee
- Monitoring of each user's quality control performance
- Use of a written test specific to the test assessed



Scoring Category : A

Score : Insufficient Compliance

Observation(s):

## The Joint Commission

EP 5

Observed in HR File Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. The staff of the organization had been trained, however had utilized one method to assess competency. Six of six had been trained and monitored, however evidence of a test had not been found.

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## The Joint Commission

### Opportunities for Improvement – Summary

Observations noted within the Opportunities for Improvement (OFI) section of the report represent single instances of non-compliance noted under a C category Element of Performance. Although these observations do not require official follow up through the Evidence of Standards Compliance (ESC) process, they are included to provide your organization with a robust analysis of all instances of non-compliance noted during survey.

<b>Program:</b>	Hospital Accreditation Program	
<b>Standards:</b>	EC.02.03.01	EP1
	EC.02.03.05	EP15
	LS.02.01.30	EP11
	LS.02.01.35	EP4
	MM.03.01.01	EP7
	PC.02.02.03	EP6
	RC.02.03.07	EP4

**The Joint Commission  
Findings**

**Opportunities for Improvement – Detail**

Chapter: Environment of Care  
Program: Hospital Accreditation  
Standard: EC.02.03.01  
Standard Text: The hospital manages fire risks.

Element(s) of Performance:

1. The hospital minimizes the potential for harm from fire, smoke, and other products of combustion.



Scoring Category : C  
Score : Satisfactory Compliance

**Observation(s):**

**EP1**

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. Above the ceiling at the cross-corridor doors by Activity Room #2, a junction box with high-voltage electrical wires was missing a cover.**

---

Chapter: Environment of Care  
Program: Hospital Accreditation  
Standard: EC.02.03.05  
Standard Text: The hospital maintains fire safety equipment and fire safety building features.  
Note: This standard does not require hospitals to have the types of fire safety equipment and building features described below. However, if these types of equipment or features exist within the building, then the following maintenance, testing, and inspection requirements apply.



## The Joint Commission Findings

### Element(s) of Performance:

15. At least monthly, the hospital inspects portable fire extinguishers. The completion dates of the inspections are documented.

Note 1: There are many ways to document the inspections, such as using bar-coding equipment, using check marks on a tag, or using an inventory.

Note 2: Inspections involve a visual check for the presence and correct type of extinguisher, broken parts, full charge, and ease of access.

Note 3: For additional guidance on inspection of fire extinguishers, see NFPA 10, Standard for Portable Fire Extinguishers, 1998 edition (Sections 1-6, 4-3, and 4-4).



Scoring Category : C

Score : Satisfactory Compliance

### Observation(s):

#### EP15

Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site. The fire extinguisher in the nursing station last documented inspection was in March

---

Chapter:	Life Safety
Program:	Hospital Accreditation
Standard:	LS.02.01.30

Standard Text:	The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.
----------------	--

### Element(s) of Performance:

11. Corridor doors are fitted with positive latching hardware, are arranged to restrict the movement of smoke, and are hinged so that they swing. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 1 inch. Roller latches are not acceptable.

Note: For existing doors, it is acceptable to use a device that keeps the door closed when a force of 5 foot-pounds are applied to the edge of the door. (For full text and any exceptions, refer to NFPA 101-2000: 18/19.3.6.3.2, 18/19.3.6.3.1, and 7.2.1.4.1)



Scoring Category : C

Score : Satisfactory Compliance

### Observation(s):

## The Joint Commission Findings

### EP11

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**  
**The corridor door to room 2A/2B did not positively latch. The latching mechanism was stuck in the lockset.**

---

Chapter:	Life Safety
Program:	Hospital Accreditation
Standard:	LS.02.01.35
Standard Text:	The hospital provides and maintains systems for extinguishing fires.

#### Element(s) of Performance:

4. Piping for approved automatic sprinkler systems is not used to support any other item. (For full text and any exceptions, refer to NFPA 25-1998: 2-2.2)



Scoring Category : C  
Score : Satisfactory Compliance

#### Observation(s):

### EP4

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd., Jackson, TN) site.**  
**Above the ceiling at the cross-corridor doors by Activity Room #2, data wires were resting on top of a sprinkler pipe.**

---

Chapter:	Medication Management
Program:	Hospital Accreditation
Standard:	MM.03.01.01
Standard Text:	The hospital safely stores medications.

#### Element(s) of Performance:

7. All stored medications and the components used in their preparation are labeled with the contents, expiration date, and any applicable warnings.  
Note: This element of performance is also applicable to sample medications.



Scoring Category : C  
Score : Satisfactory Compliance

#### Observation(s):

## The Joint Commission Findings

### EP7

**Observed in Medication Management Tracer at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd.,Jackson,TN) site.**

**The boxes of two vials of insulin had been labeled when they were opened , but not when they expired.**

---

Chapter:	Provision of Care, Treatment, and Services
Program:	Hospital Accreditation
Standard:	PC.02.02.03
Standard Text:	The hospital makes food and nutrition products available to its patients.

#### Element(s) of Performance:

6. The hospital prepares food and nutrition products using proper sanitation, temperature, light, moisture, ventilation, and security.



Scoring Category : C

Score : Satisfactory Compliance

#### Observation(s):

### EP6

**Observed in Building Tour at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd.,Jackson,TN) site.**

**Several yoghurts in the patient care refrigerator expired on 5/29/15 and the survey was conducted on 6/8/15.**

---

Chapter:	Record of Care, Treatment, and Services
Program:	Hospital Accreditation
Standard:	RC.02.03.07
Standard Text:	Qualified staff receive and record verbal orders.

#### Element(s) of Performance:

4. Verbal orders are authenticated within the time frame specified by law and regulation.



Scoring Category : C

Score : Satisfactory Compliance

#### Observation(s):

### EP4

**Observed in Record Review at WoodRidge of West Tennessee LLC (49 Old Hickory Blvd.,Jackson,TN) site.**

**The was a telephone order in a closed chart given on 6/1/15 to increase Levemir that had not been authenticated at the time of survey. Another order in teh same chart given on 5/28/15 to hold the 5 pm dose of Levemir had also not been authenticated.**

## The Joint Commission

## The Joint Commission

### Plan for Improvement - Summary

The Plan for Improvement (PFI) items were extracted from your Statement of Conditions™ (SOC) and represent all open and accepted PFIs during this survey. The number of open and accepted PFIs does not impact your accreditation status, and is fully in sync with the self-assessment process of the SOC. The implementation of Interim Life Safety Measures (ILSM) must have been assessed for each PFI. The Projected Completion Date within each PFI replaces the need for an individual ESC (Evidence of Standards Compliance) so the corrective action must be achieved within six months of the Projected Completion Date. Future surveys will review the completed history of these PFIs.

Number of PFIs: 0

## Proof of Publication



## Letters of Support



# Hometown Medical Services

March 5, 2017

Ms. Melanie Hill, Executive Director  
Tennessee Health Services Development Agency  
502 Deadrick Street, 9th Floor  
Nashville, TN 37243

Dear Ms. Hill:

I am writing on behalf of Oak Hills Behavioral Center. I have witnessed it's recent growth as a result of the need for mental health in the community. The Center is receiving patients from many referral sources: hospitals, nursing homes, assisted living facilities, and families who have tried other places and now have nowhere to take their loved one but Oak Hills.

With it's growth, I have witnessed Oak Hills success in providing good mental health. With growth there will be a need for more beds. A Certificate of Need has been requested for additional space to care for more patients. The need is evident due to the consistent lack of availability for new patients.

I strongly endorse Oak Hill's efforts to acquire a Certificate of Need for additional space to meet the growing demands for mental health. I trust you will see the same need and grant the Certificate of Need for an additional sixteen beds.

Respectfully,



Alan B. Hopkins, PhD, ACNP

P. O. Box 305  
Mason, TN 38049

20 Charleston Mason Rd.  
Stanton, TN 38069

Phone: (901) 268-8635  
Fax: (901) 313-0212  
Email:  
houseofhop@aol.com

# Bethesda Health Services, LLC

29 North Star Drive, Suite D  
Jackson, TN 38305

Phone: 731-664-7949

Fax: 731-664-6141

---

March 2, 2017

Ms. Melanie Hill, Executive Director  
Tennessee  
Health Services  
and Development Agency  
502 Deadrick Street, 9th Floor  
Nashville, TN 37243

Dear Ms. Hill:

Providing geriatric behavior health services to patients in West Tennessee is still evolving. Originally, Oak Hills Behavior Health Center was granted a certificate of need for 16 beds. They have been running a full census and often have a waiting list.

Oak Hills has met a need in West Tennessee to address the psychiatric needs of the elderly. However, the need appears to be greater than what Oak Hills is able to provide with the current 16 beds.

I support Oak Hills' request for an additional 16 beds to meet the needs of the elderly patients in need of inpatient psychiatric treatment.

Respectfully,



Stephen E. Collier, M.D.

# MIND MATTERS

**Sidney Moragne, M.D**

**378 A Carriage Drive**

**Jackson, TN 38305**

**731/300-0494**

March 3, 2017

Ms. Melanie Hill, Executive Director  
Tennessee Health Services  
and Development Agency  
502 Deadrick Street, 9th Floor  
Nashville, TN 37243

Dear Ms. Hill:

When Oak Hills Behavioral Center was granted its original certificate of need to build and operate a 16 bed geropsychiatric center, I was pleased. There was shortage of services for this population in Jackson and West Tennessee. They have provided a much-needed service.

Oak Hills has a bed availability problem due to number of beds and patient mix. This often times creates a waiting list.

It is my understanding that Oak Hills intends to apply for an additional 16 beds to help alleviate the problem of beds not being available. I enthusiastically support their effort in that regard.

Sincerely,

  
Sidney Moragne

# Shepherd Clinical Services, LLC

41 Whisper Creek Drive

Jackson, TN 38305

Phone: 901-351-4649

Email: bob.rouse@shepherdclinical.com

March 2, 2017

Ms. Melanie Hill, Executive Director  
Tennessee Health Services  
and Development Agency  
502 Deadrick Street, 9th Floor  
Nashville, TN 37243

Dear Ms. Hill:


Oak Hills Behavioral Center is a welcome addition to the delivery of behavioral health inpatient services to the citizens of West Tennessee. The Center has provided a resource to general hospitals, nursing homes, assisted living facilities, and families for the treatment of geriatric patients that are in an acute state of mental illness that cannot be managed by the above entities.

The current sixteen (16) beds have proven to be woefully inadequate to meet the need for the West Tennessee catchment area. To address this problem, Oak Hills Behavioral Center is applying for a Certificate of Need to renovate some existing space to house an additional sixteen (16) beds.

The need is evidenced by the large census that Oak Hills has had over the last few months. As this is a new facility, the awareness that this valuable resource is available continues to grow, and so does the demand.

I strongly endorse the facilities effort to gain a Certificate of Need to provide more beds to this market. I trust that you will see the same need as described herein, and issue the Certificate of Need for the additional sixteen (16) beds.

Respectfully,



Bobby G. Rouse, Ph.D.

MAR 13 '17 AM 10:49



**State of Tennessee**  
**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

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March 30, 2017

Greg Sassman  
Oak Hills Behavioral Center  
49 Old Hickory Boulevard  
Jackson, TN 38305

RE: Certificate of Need Application -- Woodridge Behavioral Care, LLC - CN1703-011  
The addition of 16 geriatric inpatient psychiatric beds to an existing mental health hospital located at 49 Old Hickory Blvd., Jackson (Madison County), TN 38305. The estimated project cost is \$787,190.

Dear Mr. Sassman:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Marthagem Whitlock at the Tennessee Department of Mental Health and Substance Abuse Services for Certificate of Need review by the Division of Planning, Research, & Forensics. You may be contacted by Ms. Whitlock or someone from her office for additional clarification while the application is under review by the Department. Ms. Whitlock's contact information is [Marthagem.Whitlock@tn.gov](mailto:Marthagem.Whitlock@tn.gov) or 615-532-6717.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on April 1, 2016. The first 60 days of the cycle are assigned to the Department of Mental Health and Substance Abuse Services, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Mental Health and Substance Abuse Services or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on June 28, 2017.

Mr. Sassman  
March 30, 2017  
Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill  
Executive Director

cc: Marthagem Whitlock, TDMHSAS, PRF



**State of Tennessee**

**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

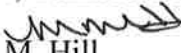
Phone: 615-741-2364

Fax: 615-741-9884

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MEMORANDUM

TO: Marthagem Whitlock, Assistant Commissioner  
of Planning Research & Forensics  
TN Department of Mental Health and Substance Abuse Services  
Division of Planning, Research & Forensics  
Andrew Jackson Building, 5<sup>th</sup> Floor  
500 Deaderick Street  
Nashville, Tennessee 37243

FROM: Melanie M. Hill   
Executive Director

DATE: March 30, 2017

RE: Certificate of Need Application  
Woodridge Behavioral Care, LLC - CN1703-011

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on April 1, 2017 and end on June 1, 2017.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Greg Sassman







**State of Tennessee  
Health Services and Development Agency**

Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

Fax: 615-741-9884

60114116200

**LETTER OF INTENT**

The Publication of Intent is to be published in the Jackson Sun which is a newspaper of general circulation in Madison, Tennessee, on or before March 9, 2017, for one day.  
(County) (Month / day) (Year)

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Woodridge of West Tennessee, LLC mental health hospital  
(Name of Applicant) (Facility Type-Existing)

owned by: Woodridge Behavioral Care, LLC with an ownership type of limited liability company

and to be managed by: itself intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]: the addition of 16 beds to serve geriatric patients. The project's address is 49 Old Hickory Blvd., Jackson, TN 38305. The project will occupy 6,820 square feet of renovated space, which is currently unused. The estimated project cost is \$207,490.

The anticipated date of filing the application is: March 14, 2017

The contact person for this project is Greg Sassman Interim Director  
(Contact Name) (Title)

who may be reached at: Oak Hills Behavioral Center 49 Old Hickory Blvd.  
(Company Name) (Address)

Jackson TN 38305 931 / 668-7073  
(City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 3/9/17 gsassman@woodridgecare.com  
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

# Supplemental- #1 -Original-

Woodridge of West  
Tennessee, LLC

CN1703-011

BONE  
MCALLESTER  
NORTON PLLC

MAR 23 17 AM 10:48

**SUPPLEMENTAL #1**

March 23, 2017  
Sarah L. Tally  
(615) 238-6332 Phone  
10:48 am (615) 687-8332 Fax  
stally@bonelaw.com

March 23, 2017

Phillip M. Earhart  
Health Services and Development Agency  
Andrew Jackson Building, Ninth Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Certificate of Need Application CN1703-011  
Woodridge of West Tennessee, LLC

Dear Mr. Earhart:

Woodridge of West Tennessee's responses to your supplemental questions are below. Please do not hesitate to contact me or Mr. Sassman if you have additional questions.

Sincerely,



Sarah Lodge Tally

**March 23, 2017****10:48 am****1. Section A. Executive Summary, B. Rationale for Approval, (1) Need**

It is noted on page 6 of the application the geriatric population (persons 65+) will grow to exceed 21.0%, 101,915 by 2020. However, the applicant notes the 2016 65+ service area population was 110,874 in 2016. Please clarify.

*That was a typographical error. The geriatric population is projected to be 125,742 in 2020, which is 20.7% of the total service area population.*

**2. Section A. Executive Summary, C. Consent Calendar Justification**

The applicant did not respond to the Consent Calendar question. Please include a replacement page with your response being N/A.

*A replacement page is attached. The Applicant does not wish to be heard on the consent calendar.*

**3. Section A: Item 4., Project Details, B. Type of Ownership of Control**

Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at

<https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>.

*Documentation is attached.*

**4. Section A: Project Details Item 6B Plot Plan**

The plot plan is noted. However, please provide a revised plot plan that includes the size of site (in acres), and location of the proposed construction renovation.

*An additional plot plan showing the acreage is attached.*

**5. Section A: Project Details Item 6B (2) Floor Plan**

It is noted there are two private rooms in the floor plan. Please clarify if Medicare will reimburse for private psychiatric inpatient beds.

*Medicare pays the same rate for private or semi-private rooms. The two private rooms shown on the floor plan are handicap accessible rooms. Because the bathrooms must be large enough to accommodate a wheelchair, there is only room for one bed.*

**6. Section A: Project Details Item 12 Square Footage and Cost Per Square Footage Chart**

Please provide an overview of the renovation that will be required of the 6,820 SF NW Wing of 1<sup>st</sup> floor.

*The contractor's description of the renovation is attached.*

**7. Section A. Facility Owner**

Please list the members and each member's percentage of ownership of the following five legal entities:

**1. REP Perimeter Holdings, LLC**

REP PH II, L.P.	90.92%
Ridgemont Equity Partners Affiliates II-B, L.P.	0.83%
H. Neil Campbell	5.12%

**March 23, 2017****10:48 am**

Campbell Family 2011 Gift Trust Dtd 10/3/11	2.12%
Mike White	0.52%
Rod Laughlin	0.40%
Bill Mohon	0.10%

2. REP WR Holdings, LLC – 100% owned by REP Perimeter Holdings, LLC
3. Woodridge Behavioral Care, LLC – 100% owned by REP WR Holdings, LLC
4. Woodridge of Tennessee, LLC – 100% owned by Woodridge Behavioral Care, LLC
5. Woodridge of West Tennessee, LLC – 100% owned by Woodridge of Tennessee, LLC

#### 8. Section 9. Medicare/TennCare Participation

Please clarify if the applicant will contract with TennCare Select.

*Yes, the applicant plans to contract with TennCare Select.*

#### 9. Section B, Need, Item 1.a. (Psychiatric Inpatient Services-Service Specific Criteria-)

Please complete the following table to determine psychiatric bed need (1). .

	Population 2019	Gross Need Pop. X (30 beds/100,000)	Current licensed beds	Net Need
	65+	65+	65+	65+
Proposed Service Area	121,873	36.6	32	4.6

#### 10. Section B, Need, Item 2.d Continuum of Care. (Psychiatric Inpatient Services-Service Specific Criteria-)

Please complete the following chart that will indicate the applicant's service area 65+ Geriatric Psychiatric Continuum of Care.

Provider Name	Intensive Outpatient Program	Partial Hospitalization Program	Inpatient Hospitalization
Woodridge of West Tennessee (Madison County)			16 beds

It is noted there is no geriatric partial hospitalization program in the community. However, please clarify the reason partial hospitalization was not added prior to proposing to add 16 additional psychiatric geriatric beds, especially while partial hospitalization provides a structured program of outpatient psychiatric services as an alternative to inpatient psychiatric care.

Please clarify if Intensive Outpatient Treatment (IOP) is a covered service by Medicare. If so, why is the applicant not planning to offer geriatric IOP services?

**March 23, 2017****10:48 am**

Please provide an overview of the proposed partial hospitalization program.

What types of different settings and types of treatment are more appropriate after the typical acute level 14 day LOS and what is the availability of these types of settings and treatments within the applicant's service area.

*There is no partial hospitalization program operating in the Jackson community today. The Applicant had already taken steps to add partial hospitalization to its continuum of services prior to proposing to add the 16 additional psychiatric geriatric beds.*

*Attached is copy of the soon-to-be-effective (4/1/17) license for Woodridge of West Tennessee d/b/a Oak Hills Behavioral Center which indicates partial hospitalization as a distinct category of facility services to be provided. The development of partial hospitalization slowed down during the acquisition of Woodridge by Perimeter Healthcare in 2016. Perimeter Healthcare continued to recognize the need for partial hospitalization psychiatric service. Over the past few months, the Applicant has resumed efforts to open the partial hospitalization psychiatric services. The Applicant intends to begin providing services within the next two months.*

*A range of outpatient mental health services are covered by Medicare, ranging from supportive services provided in a doctor's or therapist's office to intensive psychiatric treatment programs. Outpatient services such as individual and group therapy, family counseling, or patient education services are not set out under Medicare as intensive outpatient psychiatric treatment. Partial hospitalization is set out under Medicare as intensive outpatient psychiatric treatment.*

*Outpatient partial hospitalization is not a substitute for inpatient hospitalization. Patients admitted to an outpatient partial hospitalization program do not require 24 hours per day supervisions as provided in an inpatient setting. However, partial hospitalization services provide active, intensive treatment for the individual's serious psychiatric condition and are reasonably expected to improve or maintain the individual's condition and functional level and prevent relapse or hospitalization. As stated in the Medicare Beneficiary Manual ... "partial hospitalization is a distinct and organized intensive treatment program for patients who would otherwise require inpatient psychiatric care". Woodridge of West Tennessee's geriatric psychiatric continuum of care will include inpatient hospitalization and outpatient partial hospitalization. The Applicant's services, inpatient hospitalization and outpatient partial hospitalization, will be part of the community continuum of mental health services. General outpatient services are available from physicians and therapists in the community.*

*The Applicant's partial hospitalization program will provide active treatment that incorporates an individualized treatment plan based on the particular needs of the patient. It will include a multidisciplinary team approach to patient care under direction of a physician. The program will reflect a high degree of structure and scheduling, with medically necessary, measureable treatment goals. The program will operate 5 days per week, Monday – Friday, providing individual or group psychotherapy, as well as family counseling, and patient training, education closely related to the patient's care, treatment and psychiatric condition. Patients discharged from the partial program may step down to a less intensive level of outpatient care when the patient's clinical condition improves or stabilizes, or step up to an inpatient level of care if patient requires 24 hour supervision.*

**March 23, 2017****10:48 am****11. Section B, Need, Item 2.j Crisis Stabilization Unit. (Psychiatric Inpatient Services-Service Specific Criteria-)**

It is noted the service area does not have a geriatric crisis stabilization unit. Please clarify if a geriatric patient can be placed in the Pathways Crisis Stabilization Unit.

Please estimate how often the local crisis teams have conducted screening assessments for geriatric patients admitted to the applicant's existing inpatient program for the past year.

*The service area does not have a geriatric crisis stabilization unit. The Applicant's understanding is a geriatric patient may be placed in the Pathways Crisis Stabilization Unit. However Pathways is not a geriatric crisis stabilization unit, nor is it a designated gero-psychiatric unit. Pathways admits very few geriatric patients. Thus far in March 2017, the Applicant has had 18 admissions, of which 3 (17%) were assessed and referred to Applicant by Pathways. This is indicative of the usual and customary assessment and referral activity by Pathways of geriatric patients to Applicant. Pursuant to Pathways of Tennessee 2015 Joint Annual Report (JAR), of their 753 total admissions, 734 (97.5%) were ages 18-64 (adult), 15 (2%) were ages 65-74, and 4 (.5%) were ages 75-84.*

**12. Section B, Need, Item 3 Incidence and Prevalence. (Psychiatric Inpatient Services-Service Specific Criteria-)**

Please indicate what counties are included in Region 6. What is Region 6?

*The applicant used TDMHSAS data for Incidence and Prevalence. TDMHSAS divides the state into 7 regions for purposes of discussing Incidence and Prevalence. Region 6 includes the following counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Tipton, Weakley, all of which are in the service area for the project except Tipton.*

**13. Section B, Need, Item 4 Planning Horizon. (Psychiatric Inpatient Services-Service Specific Criteria-)**

It is noted the applicant did not address the correct planning horizon criteria. It appears the question on page 16 is from a previous application's supplemental question. In addition, please address the question using the first two years of operation (2018, 2019). Please correct and provide a revise page 16.

*A replacement page 16 is attached.*

**14. Section B, Need, Item 10 Expansion of Established Facility. (Psychiatric Inpatient Services-Service Specific Criteria-)**

The applicant notes the following "In January and February, Oak Hills has \_\_\_ days at capacity". Please clarify.

*The applicant inadvertently omitted the number in the application. The following is the corrected sentence:*

*"In January and February, Oak Hills had 32 days at capacity."*

*A replacement page is attached.*

**15. Section B, Need, Item 16 Community Linkage Plan. (Psychiatric Inpatient Services-Service Specific Criteria-)**



Please provide the applicant's primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

If possible, please provide letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application that details specific instances of unmet need for geriatric psychiatric inpatient services. Please provide measurable instances of unmet need rather than providing broad statements.

*The Applicant is an active part of the Jackson and surrounding community continuum of care. The Applicant receives referrals from community providers including Jackson Madison County General Hospital. During the first three weeks of March, the Applicant has received 18 referrals (22%) from Jackson Madison County General Hospital, 3 (17%) from Pathways, and the remaining 11 (61%) from area nursing homes, hospitals, and other providers.*

*During the first quarter of 2017, the Applicant has had 45 days (58%) when its occupancy exceeded 87%, an ADC of 14, thereby placing the facility at operational capacity, often making it unable to meet the needs additional geriatric patients due to gender mix or other clinical factors.*

*Oak Hills currently has 9 patient rooms, 2 of which are single bed rooms due to being handicapped accessible rooms. Therefore the hospital has 7, semi-private rooms, and 2 single-bed rooms. Capacity can be reduced when there is an uneven number of male and female patients or when a patient cannot be placed in a semi-private room for clinical reasons. With a daily census of approximately 14, the hospital could easily be at operational capacity.*

*The Applicant submitted letters of support from area physicians with the application. As set out in the letters, Oak Hills has occasion incurred waiting lists due to number of beds and patient mix and the demand for geriatric psychiatric services. These letters support and help substantiate the Applicant's request for additional beds to address the expanding need for geriatric psychiatric services in the community and service area.*

**16. Section B, Need, Item 18 Quality Control and Monitoring. (Psychiatric Inpatient Services-Service Specific Criteria-)**

If the applicant owns or administers other psychiatric facilities, please provide information on their surveys and their quality improvement programs, whether they are located in Tennessee or not.

*The applicant only owns one psychiatric hospital – Oaks Hills Behavioral Center. Oaks Hills' Survey and Joint Commission report were attached to the original application.*

**17. Section B, Need Item 3 Proposed Service Area**

Please clarify if the applicant's service area overlaps with the service area of geriatric services located in Shelby County?

*The applicant's service area does overlap with the service area of Shelby County providers, but the applicant did not include Shelby County or Tipton County in its service area. The applicant assumes that those patients who live in or around Shelby County*



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would prefer to be treated in Shelby County, just as patients in or around Madison County would prefer to be treated in Jackson. Very few of the applicant's current and projected patients come from Shelby and the surrounding counties because Shelby County is 90 miles from the facility.

**18. Section B, Need Item 4.A**

The population tables of the proposed project are noted. The applicant's population tables will need to reflect CY 2017 and PY 2019 as prescribed in the most recent Psychiatric Inpatient Services-Service Specific Criteria. Please revise the population tables on pages 23-25 and provide replacement pages.

*The applicant used 2016 and 2018 because the application was filed so early in 2017 and the first full year of operations for the project will be 2018. Additionally, the CON Age Group Data from the Dept. of Health is still using 2016, 2018, and 2020. The applicant requested and received updated data from the Dept. of Health. Revised population tables are attached.*

**19. Section C. Need, Item 5**

Your response to this item is noted. However, the chart does not include admissions or discharges and average length stay data. Please include and revise.

*The revised chart is below.*

*2013-2015 Geriatric Service Area Acute Care Hospitals Licensed Bed Occupancy*

Provider	County	Patient Days			Occupancy Rate		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	47,895 (1,276 geriatric)	43,483 (1,301 geriatric)	46,855 (1,600 geriatric)	87%	79%	85%
Pathways	Madison	2,959 (39 geriatric)	3,706 (61 geriatric)	3,245 (85 geriatric)	36%	36%	32%
Behavioral Health Center at Martin	Weakley	4,278	4,273	3,455	75%	75%	62%

Provider	County	Admissions			Average Length of Stay		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	975	1,012	1,046	49 days	43 days	44.8 days
Pathways	Madison	607	706	753	4.9 days	5.3 days	4.2 days
Behavioral Health Center at Martin	Weakley	270	231	210	15.8 days	20.5 days	16.5 days

*\* While revising the chart, the applicant noticed that the 2013 and 2015 data was listed under the wrong years. That error is corrected in this chart.*

**20. Section C, Need, Item 6**

Please complete the following tables for Year One and Year Two:

**Projected Inpatient Utilization**

Variable	2018	2019	2018	2019
<b>Ages 65+ Psych Licensed Beds</b>	<b>Existing 16 beds</b>	<b>Existing 16 Beds</b>	<b>Proposed 16 Beds</b>	<b>Proposed 16 Beds</b>
<b>Ages 65+ Psych. Admissions</b>	313	313	209	250
<b>Ages 65+ Psych. Pat. Days</b>	4380	4380	2925	3504
<b>Ages 65+ Psych ALOS</b>	14	14	14	14
<b>Ages 65+ Psych ADC</b>	12	12	8	9.6
<b>Ages 65+ % Lic. Occ.</b>	75%	75%	50%	50%

The referenced Attachment B. Need 6 could not be located. Please provide.

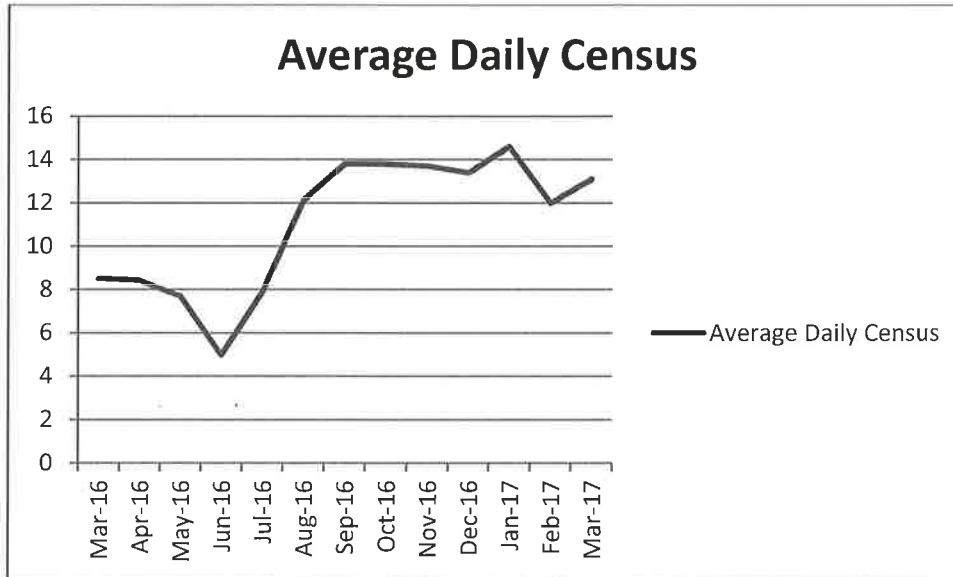
*The reference to an attachment was a typographical error. There is no attachment B. Need 6.*

It is noted the occupancy of the proposed 16 geriatric beds in Year 2 (2018) calculates at 16.5%. At this rate, why is there a need for a 16 bed addition at this time?

*The existing 16 beds consistently have a high occupancy rate, and the applicant anticipates increasing need for geriatric psychiatric beds as the population ages. The applicant is requesting 16 beds because of anticipated future need and because of the physical plant of the facility. The facility is set up in 16-bed wings. Of the four 16-bed wings on the first floor of the facility, which houses the inpatient services, one is in use for the existing geriatric unit and one will shortly be in use for the adolescent unit. In order to add more beds, it is most practical to add another 16-bed unit. If the Applicant were to add fewer than 16 beds, then those beds would be located in a partially-renovated, partially-used wing of the hospital.*

*Additionally, the Applicant was conservative in its forecasts. It anticipates that demand will be higher than its projections. Even using the conservative forecasts, the project is financially feasible.*

Please provide a daily census graph for the most recent year available.

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	Mar-2016	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-2017	Feb	Mar
Pt. days	262	253	240	149	244	374	391	425	406	404	453	336	236
ADC	8.5	8.4	7.7	5.0	7.9	12.1	13.8	13.8	13.7	13.4	14.6	12.0	13.1
% occ	53	53	48	31	50	76	86	86	86	84	91	75	82

## 21. Section C. Economic Feasibility Item 1 Project Costs Chart

In the Project Costs Chart please include the cost of any lease (building, land, and/or equipment) based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. The cost would be allocated to the 6,820 SF of the NW Wing of the 1<sup>st</sup> Floor. Please submit a revised Project Costs Chart.

*There is no lease cost. The applicant owns the entire building and the land. The space for the proposed unit is currently unused, empty space.*

## 22. Section C. Economic Feasibility Item 3 and 4 (Historical and Projected Data Chart)

The Historical Data Chart is noted. However, the 2016 Earnings Before Interest, Taxes, and Depreciation in the amount of \$749,145 appears incorrect. Please revise and submit a revised Historical Data Chart.

*A revised Historical Data Chart is attached with the corrected amount.*

Please provide a Historical Data Chart for the applicant's existing 16 bed geriatric inpatient program.

*The Historical Data chart is for the existing 16-bed geriatric program. The pediatric program is not yet operational, as it was only approved at the February 2017 meeting of the HSDA.*

**March 23, 2017**

**10:48 am**

The Projected Data Charts are noted. However, it appears the applicant double counted the salaries and wages columns in both Projected Data Charts. Please provide totals for "a. Direct Patient Care" and "B. Non-Patient Care" rows only and submit.

*The applicant showed both the total amount for salaries and wages and the subtotals, but only the total is used in calculating the rest of the chart.*

Is Projected Data Chart for "Project Only" just for 16 beds, and for "Total Facility" does it include the applicant's pediatric unit?

*The Project Only Projected Data Chart is only for the additional 16 beds, and the Total Facility Projected Data Chart does include the pediatric unit.*

**23. Section C. Economic Feasibility, Item 6.A Financial Information and 6.C. Capitalization Ratio**

Please provide audited financial statements for Woodridge of West Tennessee, LLC.

Please provide the latest audited financial statements for Woodridge Behavioral Care, LLC.

Please provide supporting financial documents to support the applicant's calculated capitalization ratio.

*Woodridge of West Tennessee, LLC, does not have a separate audited financial statement. Its results are consolidated in the audited financial statement for Woodridge Behavioral Care, LLC. The 2015 audited financial statement for Woodridge Behavioral Care, LLC, was inadvertently omitted from the original application and is attached. The Audited Financial Statement includes the information supporting the capitalization ratio.*

**24. Section C, Economic Feasibility, Item 8**

There appears to be a slight calculation error in total staff. Please revise and submit a replacement page 40.

*A replacement page is attached.*

Please indicate if a Board Certified Psychiatrist specializing in Geriatrics is available to provide medical services to the additional 16 geriatric inpatient beds if this application is approved.

*Yes. A board certified psychiatrist specializing in geriatrics is available to provide services. The Applicant currently contracts with Shepherd Clinical Services to provide services to the existing unit. Shepherd Clinical Services will also provide services to the proposed unit.*

Page 39- Are the projected FTEs (18) in addition to existing FTEs (18)?

*Yes. The projected 18 direct patient care FTEs and 2 non-direct patient care FTEs are in addition to the existing employees.*

**25. Section C. Orderly Development, Item 3.A.**

The applicant notes “psychiatrists in Jackson will provide clinical leadership”. Please clarify.

*The current contracted medical, clinical leadership of our hospital includes a psychiatrist, an internal medicine physician, a psychologist, a psychiatric nurse practitioner, and family nurse practitioner. The applicant will supplement clinical leadership if there is a need as the hospital grows.*

**26. Project Completion Chart**

Is it realistic that renovations and hiring of all identified proposed staff can be accomplished within 90 days of CON approval?

*Yes, it is realistic that the renovations can be accomplished within 90 days of CON approval. Please see the attached verification statement from the contractor.*

*Yes, it is realistic that the hiring of all identified proposed staff can be accomplished within 90 days of CON approval. The hospital has the experience and ability to recruit and hire the necessary staff.*

**27. Proof of Publication**

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

*The newspaper page and publication affidavit are attached.*

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*inpatient days on their most recent Joint Annual Reports. In fact, Pathways refers its geriatric patients to Oak Hills. Behavioral Healthcare Center at Martin has 16 geriatric beds. Its most recent JAR showed average occupancy of 62%. In contrast, for the most recent 6 months, Oak Hills has had average occupancy of over 80%. This includes numerous days on which Oak Hills was at or near full capacity.*

*The 2016 population of the service area is 110,874, which shows a need for 33.26 beds in the service area. The 2018 population projection is 117,964, which shows a need for 35.39 beds. It is forecasted that by 2020, the geriatric population (persons 65+) will grow to exceed 21.0%, 101,915. While the current formula does not show a need for 16 additional geriatric beds, the guidelines contemplate situations in which the formula does not capture the true need – such as the case of a specialty population, like pediatric or geriatric patients. The vast majority of patients served by Oak Hills come from the Jackson, TN and surrounding area. Martin TN is located about 1.5 hour drive north of Jackson, TN. A 1.5 hour drive is a hardship on patients and families.*

**1) Economic Feasibility;**

*The estimated cost for the 16-bed expansion is \$207,490. Adequate funds are available for the applicant to complete the project. The project will be funded by the parent company's revolving line of credit from Bank of Montreal. The space already exists in the building and is adjacent to the existing Oak Hill hospital 16 bed space. The expansion space was renovated when the existing Oak Hills hospital space was renovated, as such, it needs only minor changes to be ready for patients.*

**2) Appropriate Quality Standards; and**

*The project will meet or exceed all quality of care standards. Oak Hills is licensed by the State of Tennessee Department of Mental Health and Substance Abuse Services. The existing geriatric psychiatric unit is Joint Commission accredited. Woodridge strives to provide the highest level of care to each patient and family served – implementing research and evidence-based treatment programs to provide the best possible outcome.*

**3) Orderly Development to adequate and effective health care.**

*This expansion project of Oak Hills will contribute to the orderly development of adequate and effective health care in the defined service area. Over the prior 6 month period Oak Hills has consistently operated in excess of 80% occupancy. The geriatric population of the defined service area is forecasted to expand to in excess of 21% of the service area total population. Expansion of services at the existing provider, Oak Hills is the most orderly development to meet this expanding need. The space already exists in the building and is adjacent to the existing 16 bed program. The existing hospital opens into the designated expansion space which was renovated previously when the existing Oak Hills hospital space was renovated.*

**B. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed. N/A



**March 23, 2017****10:48 am**

**Tre Hargett**  
Secretary of State

**Division of Business Services****Department of State**

State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

**SARAH L. TALLY**  
STE 1600  
511 UNION ST.  
NASHVILLE, TN 37219

March 22, 2017

**Request Type: Certificate of Existence/Authorization**  
Request #: 0232487

Issuance Date: 03/22/2017  
Copies Requested: 1

**Document Receipt**

Receipt #: 003229917

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3697871272

\$20.00

**Regarding: Woodridge of West Tennessee, LLC**

Filing Type: Limited Liability Company - Foreign

Control #: 727784

Formation/Qualification Date: 08/13/2013

Date Formed: 08/06/2013

Status: Active

Formation Locale: DELAWARE

Duration Term: Perpetual

Inactive Date:

**CERTIFICATE OF AUTHORIZATION**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**Woodridge of West Tennessee, LLC**

\* is a Limited Liability Company formed in the jurisdiction set forth above and is authorized to transact business in this State;

\* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

\* has filed the most recent annual report required with this office;

\* has appointed a registered agent and registered office in this State;

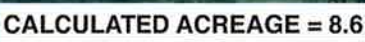
\* has not filed an Application for Certificate of Withdrawal.

Tre Hargett  
Secretary of State

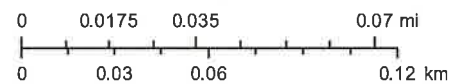
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Verification #: 021692425

March 23, 2017  
10:48 am



1:2,257





**March 23, 2017**

**10:48 am**



**P.O. Box 10086  
JACKSON, TN 38308  
PHONE: (731) 783-3100**

**LICENSE #: 28331  
EXPIRATION DATE: 7-31-2017  
CLASSIFICATION: BC-A,B;  
BC= RESIDENTIAL,COMMERCIAL  
AND INDUSTRIAL CONSTRUCTION  
B= COMMERCIAL**

**PROJECT DESCRIPTION**  
**FOR PROPOSED**  
**OAK HILLS - GERIATRIC EXPANSION**  
**AT**  
**OAK HILLS BEHAVIORAL CARE**  
**March , 2017**

**THE PROJECT WILL CONSIST OF ADAPTATIONS OF EXISTING SPACE TO  
ACCOMMODATE GERIATRIC OCCUPANCY AND CARE. THE EXISTING SPACE WAS RECENTLY  
RENOVATED TO "LIKE NEW" CONDITIONS IN A PROJECT IN 2015.**

**PLEASE SEE EXHIBIT A FOR A MORE DETAILED DESCRIPTION OF THE RENOVATION WORK  
REQUIRED FOR THE GERIATRIC EXPANSION PROJECT.**

**EXHIBIT A****PROJECT SCOPE OF WORK*****DIVISION******REMARKS/COMMENTS*****01) GENERAL REQUIREMENTS**

- Insurances, permit fees, plans review fees, supervisory fees, cleanup, dumpster fees, dust protection, protection of existing finishes, equipment, construction cleanup and final cleaning

**02) EXISTING CONDITIONS**

- Demolition
  - Demolition of wall and door/frame at existing *Time Out* space.

**03) CONCRETE**

- Includes new concrete drive for ambulatory access at entrance door.
- Includes extension of stoop beyond courtyard gate at new courtyard area.

**04) MASONRY**

- N/A

**05) METALS**

- N/A

**06) WOOD, PLASTICS and COMPOSITES**

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- Miscellaneous Rough Carpentry - Includes wood blocking for casework.

**07) THERMAL and MOISTURE PROTECTION**

- N/A

**08) OPENINGS**

- Hollow Metal Frames and Doors - See below.
- Solid Core Wood Doors - Includes new doors where existing doors have been damaged beyond repair. Includes new hardware where necessary as well. Includes allowance of four (4) new doors and hardware.
- Access Panels - Includes new access panel in ceiling at new nurses station in order to facilitate electrical installation/access.

**09) FINISHES**

- Metal Framing and Gypsum Board - Includes labor and material to create chase wall between patient beds in all patient rooms.  
- Includes all labor and material to create bulkhead where wall is to be removed at new nurse station.  
- Includes infill and patch where existing door is to be removed at new nurse station.
- Vinyl Tile Flooring - Includes patching floor where wall is removed at new nurse station.
- Painting - Painting of infill, new chase wall and infill at new nurse station where door is to be removed.  
- Also includes touch-up allowance of \$7,000.00 for existing unit.

**10) SPECIALTIES**

- Interior Signage - Includes new room signage for new Geriatric wing. Signage to match that in existing Geriatric wing.
- Wall Protection - Includes sheet acrovyn wall protection at headwall in all patient rooms. Acrovyn to match existing in current Geriatric wing.

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- Handrails
  - Cost to install new anti-ligature handrails in corridor of new Geriatric wing. Handrails to match existing handrails on current Geriatric wing.
- Toilet, Bath and Laundry Accessories
  - Includes security grab bars at toilet in all patient toilet rooms.

**12) FURNISHINGS**

- Casework
  - Cost for casework at new nurse station. Casework to match existing. Includes base and wall cabinets.

**21) FIRE SUPPRESSION**

- N/A

**22) PLUMBING**

- N/A

**23) HVAC**

- N/A

**26) ELECTRICAL**

- See comments
  - Cost to install receptacles and voice/data outlets at new nurse station.
  - Cost to install receptacles at new chase in patient rooms.
  - Cost to wire relocated electric gate lock at relocated outdoor courtyard area.
  - Cost to install lighting at new canopy.

**27) COMMUNICATIONS**

- Nurse Call
  - Cost to install new pull stations in patient rooms and toilet rooms.
  - Cost to install new dome lights in corridor ceiling.
  - Cost to install new main console at new nurse station.
- Video Surveillance
  - Cost to install surveillance monitor at new nurse station.

**March 23, 2017**

**10:48 am**

**32) SITE IMPROVEMENTS**

- Fences and Gates
  - Includes removal and installation of existing fence and gate to new courtyard location outside of existing Geriatric wing.

**END OF EXHIBIT A**

March 23, 2017

10:48 am

**STATE OF TENNESSEE**  
**DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES**



**LICENSE**

THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES GRANTS THIS FULL  
 LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

**WOODRIDGE OF WEST TENNESSEE**

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE  
 PROVISION OF MENTAL HEALTH, PERSONAL SUPPORT,  
 OR ALCOHOL AND DRUG ABUSE SERVICES:

**Woodridge of West Tennessee, LLC DBA Oak Hills Behavioral Center**

(Name of Facility or Service as Known to the Public)

**49 Old Hickory Blvd, Jackson, TN 38305**

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND  
 WITH RULES OF THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

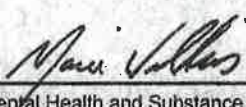
THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING  
 DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED.

License Category	Accessible to mobile, non- ambulatory individuals	Approved for persons w		Capacity
		hearing loss	vision loss	
Mental Health Adult Day Treatment Services	Y	Y	Y	n/a
Mental Health Hospital	n/a	n/a	n/a	16
Mental Health Partial Hospitalization Facility	Y	Y	Y	n/a

April 01, 2017  
Effective Date

March 31, 2018  
Date License Expires

L000000019836  
License Number

  
 Commissioner of Mental Health and Substance Abuse Services

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.  
 POST THIS LICENSE IN A CONSPICUOUS PLACE.

19836

Site ID: 4768



*facility will have licensed, master-level therapists, registered nursing staff, patient care technicians, and a wide variety of support personnel. The unit will have PRN staffing available in the event that a physician determines that a patient needs one-to-one staffing. The applicant has experience in providing acute services and is confident in its ability to align staffing and treatment needs in the most efficient and effective manner.*

- a. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

*The state mental health hospitals serve very few geriatric patients, so this project will not serve patients who otherwise might have been treated by a state mental health hospital. The applicant will work closely with the TDMHSAS to ensure that all geriatric patients who need care receive it.*

- j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

*The service area does not have a geriatric crisis stabilization unit. Pathways is a general adult crisis stabilization unit.*

#### **4. Incidence and Prevalence**

The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance abuse within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

*TDMHSAS data show that Region 6 had a higher rate of mental illness and a higher rate of serious mental illness than the state and national averages. The data are for all adults; there is not separate data for the geriatric population. For any mental illness, Region 6 had a rate of 21.4%. The state average was 21.1%, and the national average was 18%. For serious mental illness, Region 6 had an average of 4.8%. The state average was 4.3%, and the national average was 4%.*

#### **5. Planning Horizon**

The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation (2018 and 2019).

*The projected geriatric population of the service area in 2018 is 117,964, which shows a need for 35.4 beds under the guidelines. The projected geriatric population of the service area in 2019 is 121,873, which shows a need for 36.6 beds under the guidelines.*

#### **6. Establishment of the Service Area**

The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic

*The applicant will take involuntary commitments and will treat patients who are uninsured or low-income. As noted above, the applicant anticipates that the vast majority of patients will have insurance coverage either via Medicare or commercial insurance.*

**9. Relationship to Existing Applicable Plans; Underserved Area and Populations**

The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered.

*There are limited geriatric services in the service area. The applicant will accept both voluntary and involuntary admission. The project will only provide acute care. The applicant will work with patients in need of longer term care to find the most appropriate setting for that patient. The project will not affect any state mental health hospitals because the state mental health hospitals treat very few geriatric patients.*

**10. Expansion of Established Facility**

Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

*The applicant has had utilization of more than 80 percent for the previous 6 months. The existing unit has been open for fewer than two years and Joint Commission accredited for approximately 18 months, so the applicant has not had 80 percent utilization for a full year. The applicant has had 83.1 percent utilization for the first two months of 2017. In January and February, Oak Hills had 32 days at capacity. The service area population is aging, and the applicant anticipates increased need for these services.*

**11. Licensure and Quality Considerations**

Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LGBT population).

*The facility is licensed by the Department of Mental Health and Substance Abuse Services and accredited by the Joint Commission. Patients will be appropriately*



Hardeman	8
Hardin	1
Haywood	2
Henderson	11
Henry	2
Lake	5
Lauderdale	2
McNairy	6
Madison	95
Obion	6
Weakley	2
<b>Total</b>	<b>209</b>

1. A. 1) Describe the demographics of the population to be served by the proposal.

*This project will serve geriatric residents who need inpatient psychiatric care. The population of the service area is poorer and more rural than much of Tennessee. The proposed project will increase the number of patients who can be served in the service area.*

- 2) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics						
	Total Population- Current Year (2017)	Total Population- Projected Year (2019)	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population- % Change	Target Population Projected Year as % of Total
Madison County	104,031	105,581	1.5	16,953	18,260	7.7%	17.3%
Benton County	16,700	16,727	0.2	4,209	4,445	5.6%	26.6%

**SUPPLEMENTAL #1****March 23, 2017****10:48 am**

Carroll County	28,347	28,258	-0.3	6,100	6,352	4.1%	22.5%
Chester County	18,450	18,811	2.0	3,285	3,490	6.2%	18.6%
Crockett County	14,936	15,038	0.7	2,884	3,005	4.2%	20.0%
Decatur County	11,992	12,059	0.6	3,017	3,182	5.5%	26.4%
Dyer County	39,458	39,736	0.7	7,075	7,443	5.2%	18.7%
Fayette County	45,626	47,573	4.3	9,268	10,504	13.3%	22.1%
Gibson County	51,668	52,184	1.0	9,563	10,039	5.0%	19.2%
Hardeman County	27,287	27,279	0	4,772	5,030	5.4%	18.4%
Hardin County	26,618	26,743	0.5	6,133	6,508	6.1%	24.3%
Haywood County	18,348	18,198	-0.8	3,213	3,484	8.4%	19.1%
Henderson County	29,595	30,072	1.6	5,411	5,768	6.6%	19.2%
Henry County	33,605	33,922	1.0	8,197	8,723	6.4%	25.7%
Lake County	8,377	8,513	1.6	1,309	1,370	4.7%	16.1%
Lauderdale County	28,799	29,055	0.9	4,208	4,452	5.8%	15.3%
McNairy County	27,337	27,625	1.1	5,798	6,152	6.1%	22.3%
Obion County	31,655	31,600	-0.2	6,467	6,728	4.0%	21.3%
Weakley County	36,205	36,355	0.4	6,560	6,938	5.8%	19.1%
Service Area Total	599,034	605,329	1.1	114,422	121,873	6.5%	20.1%
State of TN Total	6,887,572	7,035,572	2.1	1,133,025	1,219,696	7.7%	17.3%

**March 23, 2017****10:48 am**

☒ Total Facility  
☐ Project Only

**HISTORICAL DATA CHART**

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in January.

	2015 (April- Dec)	2016	2017 (Jan-Feb)
A. Utilization Data (patient days)	1,283	3,476	1,062
B. Revenue from Services to Patients			
1. Inpatient Services	\$1,283,000	\$5,227,904	\$1,597,248
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) medical records	\$22	\$3.00	_____
<b>Gross Operating Revenue</b>	<b>\$1,283,022</b>	<b>\$5,227,907</b>	<b>\$1,597,248</b>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$577,073	\$2,858,205	\$846,220
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	\$117,906	\$37,927	\$27,126
<b>Total Deductions</b>	<b>\$694,979</b>	<b>\$2,896,132</b>	<b>\$873,346</b>
<b>NET OPERATING REVENUE</b>	<b>\$588,043</b>	<b>\$2,331,775</b>	<b>\$723,902</b>
D. Operating Expenses			
1. Salaries and Wages			
a. Direct Patient Care	\$504,997	\$631,774	\$171,680
b. Non-Patient Care	\$103,433	\$210,668	\$51,281
2. Physician's Salaries and Wages	\$106,315	\$191,600	\$55,500
3. Supplies	\$116,872	\$189,628	\$63,077
4. Rent			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees:			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses	\$327,021	\$370,455	\$108,174
<b>Total Operating Expenses</b>	<b>\$1,158,638</b>	<b>\$1,594,125</b>	<b>\$449,712</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$(570,595)</b>	<b>\$737,650</b>	<b>\$274,190</b>
F. Non-Operating Expenses			
1. Taxes	\$_____	\$_____	\$_____
2. Depreciation	\$124,769	\$153,171	\$52,195
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$124,769</b>	<b>\$153,171</b>	<b>\$52,195</b>
<b>NET INCOME (LOSS)</b>	<b>\$(695,364)</b>	<b>\$584,479</b>	<b>\$221,995</b>

Chart Continues Onto Next Page

**SUPPLEMENTAL #1****March 23, 2017****10:48 am**

<b>NET INCOME (LOSS)</b>	<b>\$(695,364)</b>	<b>\$584,479</b>	<b>\$221,995</b>
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ _____	\$ _____	\$ _____
2. Annual Capital Expenditure	\$1,921,967	\$77,358	\$49,127
<b>Total Other Deductions</b>	<b>\$1,921,967</b>	<b>\$77,358</b>	<b>\$49,127</b>
<b>NET BALANCE</b>	<b>\$(2,617,331)</b>	<b>\$507,121</b>	<b>\$172,868</b>
<b>DEPRECIATION</b>	<b>\$124,769</b>	<b>\$153,171</b>	<b>\$52,195</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$(2,492,562)</b>	<b>\$660,292</b>	<b>\$225,063</b>

X Total Facility

☐ Project Only**HISTORICAL DATA CHART-OTHER EXPENSES**

<b><u>OTHER EXPENSES CATEGORIES</u></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1. Employee Benefits	\$82,591	\$132,287	\$38,986
2. Advertising and Marketing	\$5,901	\$20,017	\$6,649
3. Purchased Services (legal, accounting, etc.)	\$147,875	\$106,172	\$30,296
4. Recruiting and Relocation	\$6,150	\$963	\$620
5. Travel	\$37,185	\$13,557	\$4,060
6. Repairs and Maintenance	\$14,264	\$36,574	\$10,621
7. Utilities	\$15,040	\$25,702	\$8,812
8. Insurance	\$4,353	\$10,383	\$2,654
9. Property Taxes	\$988	\$2,111	\$618
10. Other (postage, office supplies, etc.)	\$12,674	\$22,689	\$4,858
<b>Total Other Expenses</b>	<b>\$327,021</b>	<b>\$370,455</b>	<b>\$108,174</b>

**WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES**

**Consolidated Financial Statements**

**December 31, 2015**

**(With Independent Auditors' Report Thereon)**



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**March 23, 2017**

**10:48 am**

## INDEPENDENT AUDITORS' REPORT

### **The Members**

**Woodridge Behavioral Care, LLC and Subsidiaries:**

We have audited the accompanying consolidated financial statements of Woodridge Behavioral Care, LLC and Subsidiaries (collectively the "Company"), which comprise the consolidated balance sheet as of December 31, 2015, and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Woodridge Behavioral Care, LLC and Subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

LBMC, PC

Brentwood, Tennessee  
April 4, 2016

**Consolidated Balance Sheet****December 31, 2015****Assets****Current assets:**

Cash	\$ 12,092
Accounts receivable, less allowance for doubtful accounts of \$230,386	3,066,390
Other receivables	86,682
Prepaid expenses	<u>426,027</u>
Total current assets	3,591,191

Property and equipment, net	12,558,301
Goodwill	7,600,000
Loan costs, net of accumulated amortization of \$37,034	88,662
Other assets	<u>657,313</u>
	<u>\$ 24,495,467</u>

**Liabilities and Members' Equity****Current liabilities:**

Current installments of long-term debt	\$ 594,136
Accounts payable	503,260
Accrued expenses and other current liabilities	<u>2,301,285</u>
Total current liabilities	3,398,681

Long-term debt, excluding current installments	<u>9,276,504</u>
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Total liabilities	12,675,185
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Members' equity	<u>11,820,282</u>
	<u>\$ 24,495,467</u>

See accompanying notes to the consolidated financial statements.



## Consolidated Statement of Operations

Year ended December 31, 2015

Revenue:	
Net patient revenues before provision for doubtful accounts	\$ 25,821,855
Provision for doubtful accounts	<u>(193,639)</u>
Net revenue	<u>25,628,216</u>
Total operating expenses:	
Salaries and benefits	17,528,114
Purchased services	2,438,367
Supplies	416,643
Rent	710,670
Depreciation and amortization	1,080,989
Travel and entertainment	351,943
Professional services	1,199,256
Repairs and maintenance	333,761
Other expenses	<u>2,206,652</u>
Total operating expenses	<u>26,266,395</u>
Loss from operations	<u>(638,179)</u>
Other expense:	
Interest expense, net	(297,386)
Loss on equity method investments in joint ventures	<u>(78,737)</u>
Total other expense	<u>(376,123)</u>
Net loss	\$ <u>(1,014,302)</u>

See accompanying notes to the consolidated financial statements.

## Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2015

	<u>Member Contributions</u>	<u>Retained Earnings</u>	<u>Total Members' Equity</u>
Balance at December 31, 2014	\$ 11,985,960	\$ 826,233	\$ 12,812,193
Contributions from members	-	59,959	59,959
Distributions to members	-	(37,568)	(37,568)
Net loss	-	(1,014,302)	(1,014,302)
Balance at December 31, 2015	<u>\$ 11,985,960</u>	<u>\$ (165,678)</u>	<u>\$ 11,820,282</u>

See accompanying notes to the consolidated financial statements.

## Consolidated Statement of Cash Flows

Year ended December 31, 2015

Cash flows from operating activities:	
Net loss	\$ (1,014,302)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	1,080,989
Provision for doubtful accounts	193,639
Gain on disposal of property and equipment	(1,700)
Equity in loss of joint ventures	78,737
Increase in operating assets:	
Receivables	(469,623)
Prepaid expenses	(159,176)
Other assets	(806)
Increase in operating liabilities:	
Accounts payable	94,570
Accrued expenses and other current liabilities	426,581
Total adjustments	1,243,211
Net cash provided by operating activities	228,909
Cash flows from investing activities:	
Purchases of property and equipment	(882,512)
Investment in joint ventures	(28,163)
Distributions from joint ventures	68,614
Net cash used by investing activities	(842,061)
Cash flows from financing activities:	
Proceeds from line of credit, net	154,997
Proceeds from member notes	500,000
Proceeds from related party note	500,000
Proceeds from long-term debt	31,931
Payments of long-term debt	(593,648)
Contributions from members, net	22,391
Net cash provided by financing activities	615,671
Increase in cash	2,519
Cash at beginning of year	9,573
Cash at end of year	\$ 12,092

See accompanying notes to the consolidated financial statements.

## Notes to the Consolidated Financial Statements

December 31, 2015

(1) Nature of operations

Woodridge Behavioral Care, LLC and Subsidiaries (collectively, the "Company" or "Woodridge") was formed on June 24, 2011 to provide comprehensive psychiatric treatment to children and adolescents. During 2015, the Company opened a 24-bed acute care unit for children, adolescents and adults in West Memphis, Arkansas and a 16-bed senior adult psychiatric unit in Jackson, TN. The Company currently serves patients in Arkansas, Missouri and Tennessee. The Company's corporate office is located in Madison, Tennessee.

(2) Summary of significant accounting policies(a) Principles of consolidation

These consolidated financial statements include the accounts of all of the Company's wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

(b) Accounts receivable

The Company receives payment for services rendered from federal and state agencies (including Medicaid or other state programs), private insurance carriers, managed care programs and patients. The Company states patient accounts receivable for services rendered at net realizable amounts. The Company manages receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. The Company records an allowance for uncollectible accounts on a weighted scale based on days outstanding. As a service to the patients, Woodridge bills third-party payers directly and bills the patients when the patient's liability is determined. Patient accounts receivable are due in full when billed. Delinquent accounts are turned over to a third party collection agency, and any subsequent recoveries are recognized in the period received.

(c) Property and equipment

Property and equipment are stated at cost or the value on the date of contribution. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their estimated lives or the respective lease term. Buildings and improvements are generally depreciated over thirty years. Automobiles are generally depreciated over five years and furniture and fixtures are generally depreciated over three to five years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation or amortization are removed from the accounts, and the resulting gain or loss is included in operations.

## Notes to the Consolidated Financial Statements

December 31, 2015

(d) Goodwill

The Company reviews goodwill for impairment on an annual basis or more frequently if impairment indicators arise. In the event goodwill is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

(e) Loan costs

Loan costs are amortized on a straight-line basis over the term of the related loans.

(f) Investment in joint ventures

Other assets include investments in joint ventures of \$650,812. The Company accounts for its investments using the equity method. Under the equity method, the investments are initially recorded at cost and are increased or decreased by the Company's share of the net earnings or losses since acquisition. The carrying value is reduced by any distributions received from the joint ventures.

(g) Net patient service revenue

Substantially all revenues of the Company are derived from comprehensive psychiatric treatment to residential, inpatient and outpatient patients. It is the Company's policy to recognize revenues as services are provided to patients. In accordance with professional standards, revenues are reported at the estimated net realizable amount from patients, third-party payors and others for services rendered.

The Company has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the Company under these arrangements includes global payment rates, prospectively-determined rates per patient day and discounts from established charges.

(h) Income taxes

The Company is organized as a limited liability company and is taxed as a partnership for federal and state income tax purposes. Under federal and state income tax provisions, the Company is not subject to income taxes on its taxable income. Instead, the Company's income and loss pass through to the members and are taxed at the individual level. Certain subsidiaries in Arkansas, Missouri and Tennessee, however, are subject to various state income taxes. State income taxes are not material to the Company.

## Notes to the Consolidated Financial Statements

December 31, 2015

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax purposes not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of December 31, 2015, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns. The Company is generally open to audit under that statute of limitations by the Internal Revenue Service and various states for the periods ended December 31, 2012 through 2014.

(i) Advertising costs

Advertising costs are expensed as incurred.

(j) Equity incentive compensation

The Company has a unit option plan, which is described more fully in Note 13. Equity based compensation cost is measured at the grant date based upon the fair value of the award and is recognized as expense on a straight line basis over the requisite service period, which is generally the vesting period.

(k) Realization of long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(l) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Notes to the Consolidated Financial Statements

December 31, 2015

(m) New accounting pronouncements

In January 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-02, *Intangibles - Goodwill and Other* ("ASC 2014-02"). This update allows certain entities to elect an accounting alternative to amortize goodwill on a straight-line basis over 10 years, or less than 10 years if the entity demonstrates that another useful life is more appropriate. An entity that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. Goodwill would be tested for impairment when a triggering event occurs that indicates that the fair value of the entity (or a reporting unit) may be below its carrying value. The accounting alternative, if elected, would be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014. The Company elected not to adopt this pronouncement.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which created a global, comprehensive revenue recognition model. This accounting standard amends substantially all current revenue recognition guidance by providing a single framework for addressing revenue recognition issues and improving comparability of application across all entities and industries. The standard affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets. Under the standard, an entity should follow a five step model in order to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, ASU No. 2015-04, *Revenue from Contracts with Customers* ("ASU 2015-04"), was issued which deferred the effective date of ASU 2014-09 by one year. This standard is now effective for financial statements for fiscal years beginning after December 15, 2018. Therefore, the Company expects to adopt this standard at the beginning of fiscal year 2019. The Company is currently assessing the impact of adopting this accounting standard.

In April 2015, the FASB issued ASU 2015-03, *Interest - Imputation of Interest* ("ASU 2015-03"). ASU 2015-03 simplifies the presentation of debt issuance costs. Under this amendment, costs related to issuing debt will be presented on the balance sheet as a direct deduction from the debt liability rather than recorded as a separate asset, consistent with the presentation of a debt discount. The guidance in ASU 2015-03 is effective for nonpublic companies for fiscal years beginning after December 15, 2015 and can be early adopted. Management elected not to early adopt the provisions of ASU 2015-03 for the year ended December 31, 2015.

## Notes to the Consolidated Financial Statements

December 31, 2015

The FASB's new lease accounting standard, which was issued on February 25, 2016, will generally require on-balance sheet recognition for all leases with terms that exceed twelve months. The new lease accounting model will continue to reflect two types of leases. Under the new rules, a lessee would account for most existing capital leases as finance leases (that is, recognizing amortization of the right-of-use ("ROU") asset, as well as separately recognizing interest on the lease liability in the statement of operations). Most existing operating leases will remain as operating leases (that is, recognizing a single total lease expense). Both finance leases and operating leases will result in the lessee recognizing a ROU asset and a lease liability. The new leasing standard is effective for nonpublic companies for fiscal years beginning after December 15, 2019, with required retrospective application to prior years. The Company is currently assessing the impact of adopting this accounting standard.

(n) Fair value measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2015.

(o) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2015 and April 4, 2016, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements and determined no additional disclosures were necessary.

(3) Credit risk and other concentrations

The Company may maintain cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

The Company grants credit without collateral to its patients, most of whom are individuals that are insured under third-party payor agreements. Substantially all of the Company's revenues and accounts receivable were from participation in Medicaid and other state programs.



Notes to the Consolidated Financial Statements

December 31, 2015

(4) Investment in joint ventures

During 2012, the Company entered into a joint venture with other investors to own and operate a real estate entity. The Company contributed approximately \$700,000 in cash to the joint venture prior to 2015 for an ownership interest of approximately 33% as of December 31, 2015. The joint venture used the contributions by investors to purchase and develop real estate in Arkansas.

During 2014, the Company entered into a joint venture with other investors to own and utilize an airplane. The Company contributed approximately \$70,000 in cash to the joint venture for their initial investment and for an ownership interest of 25% as of December 31, 2014. An additional \$28,163 was invested during 2015.

Summary unaudited information for both joint ventures as of December 31, 2015 and for the year then ended, is as follows:

Total assets	\$	8,948,000
Total liabilities	\$	7,414,000
Net loss	\$	262,000

During 2015, the real estate joint venture completed construction of the facility in West Memphis, Arkansas. The Company leases the building from the real estate joint venture. Rental payments to the real estate joint venture were approximately \$600,000 during 2015 and are expected to be approximately \$924,000 each year through 2030. The Company received distributions from the joint venture of approximately \$69,000 during 2015.

At December 31, 2015, the real estate joint venture owed the Company approximately \$55,000 for various expenses the Company paid on behalf of the joint venture.

(5) Property and equipment

A summary of property and equipment as of December 31, 2015 is as follows:

Land	\$	595,000
Buildings and improvements		11,169,853
Leasehold improvements		3,064,551
Transportation equipment		334,300
Furniture and fixtures		<u>1,033,602</u>
		16,197,306
Less accumulated depreciation		<u>3,639,005</u>
	\$	<u>12,558,301</u>

**Notes to the Consolidated Financial Statements****December 31, 2015****(6) Line of credit**

The Company has a \$2,000,000 line of credit available with a bank. Borrowings of \$800,997 were outstanding under the line of credit at December 31, 2015. Borrowings under the line of credit bear interest, payable monthly, at an annual interest rate equal to 30-day LIBOR plus 275 basis points, with a floor of 3.25% (3.25% at December 31, 2015) and matures in May 2017. The line of credit is secured by substantially all assets of the Company and places certain restrictions and limitations upon the Company (see Note 7).

**(7) Long-term debt**

A summary of long-term debt as of December 31, 2015 is as follows:

Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 275 basis points, with a floor of 3.25% (3.25% at December 31, 2015); monthly principal payments of \$41,178 plus accrued interest with all unpaid principal and interest due May 2019; secured by substantially all assets of the Company.	\$ 6,627,976
Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 275 basis points, with a floor of 3.25% (3.25% at December 31, 2015); monthly principal payments of \$8,333 plus accrued interest with all unpaid principal and interest due May 2019; secured by substantially all assets of the Company.	1,441,667
Subordinated promissory notes to members; monthly interest only payments at a fixed annual rate equal of 10%; all outstanding principal and interest due December 2020; unsecured.	500,000
Subordinated promissory note to related party; monthly interest only payments at a fixed annual rate equal of 10%; all outstanding principal and interest due December 2020; unsecured.	500,000
Line of credit (see Note 6)	<u>800,997</u>
Total long-term debt	9,870,640
Less current installments	<u>594,136</u>
Long-term debt, excluding current installments	\$ <u>9,276,504</u>

## Notes to the Consolidated Financial Statements

December 31, 2015

Payments of principal and interest on the notes to members and a related party are subordinated to the bank term loans and line of credit as defined in the agreements. In addition, the notes are subject to call rights by the Company and put rights by the lender. Should either of those rights be executed, the notes are subject to a prepayment premium at an additional interest rate of 5% (15% total).

A summary of approximate future maturities of long-term debt as of December 31, 2015, is as follows:

<u>Year</u>	
2016	\$ 594,136
2017	1,395,133
2018	594,136
2019	6,287,235
2020	<u>1,000,000</u>
	<u>\$ 9,870,640</u>

The provisions of the line of credit (see Note 6) and the long-term debt require the maintenance of certain covenants. The Company was not in compliance with certain financial covenants at December 31, 2015. The default was waived and the lender has amended certain financial covenants. The Company was in compliance with the revised covenants. Based on an estimate of 2016 financial position and operations prepared by management, the Company expects to be in compliance with its amended covenants through December 31, 2016.

(8) Employee benefit plan

The Company sponsors a 401(k) plan covering substantially all employees. Company contributions are made at management's discretion. The Company contributed approximately \$91,000 to the plan in 2015.

(9) Income taxes

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. At December 31, 2015, the Company has approximately \$3,519,000 of Tennessee state net operating losses available to offset future taxable income. The net operating loss carryforwards begin to expire in 2022. Deferred tax assets of approximately \$229,000 at December 31, 2015, which relate to the net operating losses, have not been reflected within the accompanying consolidated balance sheet due to the establishment of a full valuation allowance. The valuation allowance was established to reduce the deferred income tax assets to the amount that will more likely than not be realized. This reduction is provided due to the uncertainty of the Company's ability to utilize the net operating loss carryforwards before they expire.

## Notes to the Consolidated Financial Statements

December 31, 2015

(10) Lease commitments

The Company utilizes various office space, healthcare facilities and equipment under operating leases. Rent expense under these leases amounted to approximately \$711,000 in 2015. A summary of approximate future minimum payments under these leases, substantially all of which is with a related party (see Note 4), as of December 31, 2015 is as follows:

<u>Year</u>	
2016	\$ 943,000
2017	935,000
2018	926,000
2019	926,000
2020	924,000
Thereafter	<u>8,471,000</u>
	<u>\$ 13,125,000</u>

(11) Contingent liabilities*General liability*

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on these consolidated financial statements.

*Healthcare Industry*

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The Company and its subsidiaries are insured with respect to medical malpractice risk on a claims-made basis. The Company also maintains insurance for general liability, director and officer liability and property. Certain policies are subject to deductibles. In addition to the insurance coverage provided, the Company indemnifies certain officers and directors for actions taken on behalf of the Company and its subsidiaries. Management is not aware of any claims against the Company or its subsidiaries which would have a material financial impact.

**Notes to the Consolidated Financial Statements****December 31, 2015**

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

*Healthcare Reform*

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act ("collectively, the "Health Care Reform Legislation"). The Health Care Reform Legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens through a combination of public program expansion and private industry health insurance. Provisions of the Health Care Reform Legislation became effective in 2014. Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. The Company does not anticipate a significant impact to occur for the Medicaid population. While the full impact of Health Care Reform Legislation is not yet fully known, changes to policies regarding reimbursement, universal health insurance and managed competition may materially impact the Company's operations.

**(12) Related party transactions**

The Company paid a related party fees for certain counseling, casework and administrative support services amounting to approximately \$975,000 in 2015.

The Company has notes payable to members of the Company totaling \$500,000. The Company also has a note payable to a related party totaling \$500,000 at December 31, 2015.

**Notes to the Consolidated Financial Statements****December 31, 2015****(13) Unit option plan**

The Company may grant unit options under the Woodridge Behavioral Care LLC 2011 Unit Option Plan (the "Plan"). The Plan is designed to promote the interest and long-term success of the Company by granting non-voting unit options to selected employees. The Plan is administered by the Company and 200,000 non-voting unit options are available to be issued, of which 116,500 have been issued at December 31, 2015. Under the Plan, the Company has the sole discretion to grant unit options with exercise prices determined at the time of grant but not less than the fair market value of the units at the date of grant. The unit option term and vesting period will be determined at the date of grant. The Company did not recognize compensation costs during 2015 as management determined it was not material to the consolidated financial statements.

**(14) Supplemental disclosures of cash flow statement information**

Interest paid	\$ <u>294,442</u>
---------------	-------------------

**March 23, 2017****10:48 am**

<b>B. Non-Patient Care Positions</b>				
<i>Business Office</i>	1	0	\$17.50	\$16.15
<i>Unit Clerk</i>	1	0	\$13.00	\$15.35
<i>Human Resources</i>	0.5		\$14.00	\$17.60
<i>Marketing</i>	1	1	\$30.00	\$31.28
<i>Utilization Review</i>	1	0	\$20.00	*
<i>Housekeeping</i>	1	1	\$10.00	\$9.87
<i>Diet/Maint</i>	1	0	\$10.50	\$10.52
<b>Total Non-Patient Care Positions</b>	6.5			\$15.30
<b>Total Employees (A+B)</b>	32	20		\$19.95
<b>C. Contractual Staff</b>	0	0	0	0
<b>Total Staff (A+B+C)</b>	32	20		\$19.95

\* information not available from the Tennessee Department of Labor and Workforce Development

7. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

*This project is the least costly and most efficient way to add geriatric inpatient psychiatric services to the service are. It utilizes existing, unused space by renovating old acute hospital space and complements existing healthcare services.*

- B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

*This project is a renovation and modification of existing, unused space.*

## **CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE**

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

*WWT has a transfer agreement with Jackson-Madison County General Hospital. WWT also has contractual agreements for health services including pharmacy, lab, and x-ray.*

**March 23, 2017**

**10:48 am**



**P.O. Box 10086  
JACKSON, TN 38308**

**LICENSE #: 28331  
EXPIRATION DATE: 7-31-2017  
CLASSIFICATION: BC-A,B;  
BC= RESIDENTIAL,COMMERCIAL  
AND INDUSTRIAL CONSTRUCTION  
B= COMMERCIAL**

**PROJECT TIMELINE VERIFICATION  
FOR**

**OAK HILLS - GERIATRIC EXPANSION**

**MARCH 2017**

**THE SAID CONTRACTOR, JOHN HERRON CONSTRUCTION, VERIFIES THAT THE  
90 DAY PROJECT COMPLETION TIMEFRAME IS A REALISTIC AMOUNT OF TIME TO  
COMPLETE THE CONSTRUCTION PROJECT.**

**CONTRACTOR SIGNATURE**

**PRINTED NAME**

Chris Herron

**TITLE**

Vice President

**DATE**

March 17, 2017



# AFFIDAVIT OF PUBLICATION

**SUPPLEMENTAL #1**

**March 23, 2017**

**10:48 am**

0001983276

Newspaper Jackson Sun

State of Tennessee

Account Number NAS-524123

Advertiser BONE, MCALLESTER, NORTON

BONE, MCALLESTER, NORTON  
511 UNION ST STE 1600  
NASHVILLE, TN  
37219

**TEAR SHEET  
ATTACHED**

Jackie Cooper

Sales Assistant for the above mentioned newspaper,

hereby certify that the attached advertisement appeared in said newspaper on the following dates:

↓  
03/09/17

Jackie Cooper

Subscribed and sworn to before me this 9 day of March 2017

Angela Murray  
Notary Public



Affidavits Requested:

# Classifieds

wheels • homes • merch • announce • jobs

## ALL CLASSIFIED ADS

are subject to the applicable rate card, which will be available before publication. The Jackson Sun reserves the right to edit, reformat, reword, or combine any ad to fit the space and to place it in the most appropriate section. No refund will be given for any ad that is not published. No refund will be given for any ad that is not published. No refund will be given for any ad that is not published.

## What's Hot

### Announce

messages & notices

### Lost

REWARD: \$100 reward for safe return of missing vehicle. A 2015 Ford Focus, silver, 4-door, 1.8L, 160,000 miles. Last seen in the area of the intersection of I-55 and I-240. If found, call 731-423-4537.

### Adopt Me

all your favorites

### Domestic Pets

American Bull Terrier, AKC reg. 7 wks old. Up to date on shots. \$100. Call 731-423-0300.

### Purebred

German Shepherd puppy, 2 black males, 11 weeks old, shots, wormed. \$250. Call 731-423-0300.

### Supplies and Feed

Call 731-423-0300 for more info.

### Find your next home!

### Public Notices

000191222

### ADVERTISEMENT FOR BIDS

Project No. ECD 83004-0515; F&M 814-033

Town of Sordis (Owner)

Separate sealed bids for Water Tank Rehabilitation & Repair for water storage tanks at the town's water treatment plant will be received by March 15, 2017 at the office of F&M Consulting, 25 Court St., Savannah, TN 38377, until 1:00 p.m. C.S.T. March 15, 2017, and then all sealed bids publicly opened and read aloud.

The Information for Bidders, Form of Bid, Form of Contract, Plans, Specifications, and Forms of Bid Bond, Performance and Payment Bond, and other contract documents may be examined at the following:

F & M Consulting, 25 Court St., Savannah, TN 38377

Copies may be obtained at the office of F&M Consulting, located at 25 Court St., Savannah, TN 38377 upon payment of \$30.00 for each set.

The owner reserves the right to waive any informalities or to reject any or all bids.

Each bidder must deposit with his bid, security in the amount, form and subject to the conditions provided in the Information for Bidders.

All bidders must be licensed General Contractors as required by the Contractor's Licensing Act of 1994 of the General Assembly of the State of Tennessee, and qualified for the type of construction being bid upon.

Attention of bidders is particularly called to the requirements as to conditions of employment to be observed and minimum wage rates to be paid under the contract, Section 5, Segregated Facility, Section 10B and E.O. 12814.

No bidder may withdraw his bid within 60 days after the actual date of the opening thereof.

March 15, 2017 (Date)

### PUBLIC NOTICE

The Tennessee Division of Air Pollution Control (TDAPC) has received requests for construction and/or modification of air contaminant sources as noted below. The proposed construction and/or modification is subject to public notice and public participation. The proposed construction and/or modification is subject to public notice and public participation.

which require a public notification and 30-day public comment period. Interested parties may express their comments and concerns in writing to Mrs. Michelle W. Owenby, Director, Division of Air Pollution Control, William R. Snodgrass Tennessee Tower, 312 Ross L. Parks Avenue, 15th Floor, Nashville, Tennessee 37243 within thirty (30) days of the date of this notice. Questions concerning a source may be addressed to the assigned Division personnel at the same address or by calling 615-624-0554. Individuals with disabilities who wish to participate should contact the Tennessee Department of Environment and Conservation to discuss any mobility aids or services needed to facilitate such participation. Such contact may be in person, by writing, telephone, or other means, and should be made no less than ten days prior to the end of the public comment period to allow time to provide such aid or services. Contact the Tennessee Department of Environment and Conservation ADA Coordinator, William R. Snodgrass Tennessee Tower, 312 Ross L. Parks Avenue, 2nd Floor, Nashville, Tennessee 37243, 1-866-253-8227.

Hearing impaired callers may use the Tennessee Relay Service, 1-800-648-0298. The applicant is Kroger Limited Partnership 1 with a mailing address of 800 Poplar Lake Blvd., Memphis, TN 38120. They seek to obtain a construction permit (Division identification number: 57-0420-117248) for construction of a gas dispensing facility located at 41 E. Bonbrook Place, Jackson, TN 38305. This proposed operation would consist of three (3) underground storage tanks and eighteen (18) gasoline nozzles. Stage 1 gasoline vapor recovery would be used for pollution control. There would be physical construction. Regulated air contaminants would be emitted by this source. Mr. B. Hal is the assigned Division person.

## Great Buys

### Yard Sale

neighborly deals.

### Madison Central

### Estate Sale

2506 Clinton Dr. Gretna, TN  
Friday, March 10, 9-3  
Saturday, March 11, 10-3

Numbers to enter the home will be given out at 8:30am. Please see our website for pictures, descriptions, and more information. It will be worth the drive!

### C & C Estate Sales

Calvin and Carla Murphy  
731-426-3435

### Madison North

### SHINE

HUGE Inside Sale, Whitewater Oaks  
Area, 1911 Cambridge St. Bldg. 8, King  
Door at 10am. 731-423-0300

### Assorted

### Merch

all kinds of things.

### General Merchandise

1992 Club Car Golf Cart  
1 owner, retired, excellent condition  
Call 731-423-0300

### APPLIANCES

All in great condition & working good  
Call 731-423-0300

### Highland Memorial Garden

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

### REPO SALE

7/20/17 @ 10 AM  
At 1911 Cambridge St. Bldg. 8, King  
Door at 10am. 731-423-0300

### SHIN TUI PUPPY

1 Female, 2 Males, 3 weeks old, shots, wormed. \$250. Call 731-423-0300.

### WANTED: Good price

male Yorkie & female Yorkie. Call 731-423-0300.

### Classified Marketplace

731-423-0300

### Public Notices

000191222

## Continued from last column

### 000191240

### SUBSTITUTE TRUSTEE'S SALE

WHEREAS, default has occurred in the performance of the covenants, terms and conditions of a Deed of Trust dated May 19, 2015, executed by JAMES W. TURNER, conveying certain real property therein described to JOSEPH B. PITT, JR., Trustee, as same appears of record in the Register's Office of Madison County, Tennessee recorded May 26, 2015, in Deed Book T1199, Page 714-722; and WHEREAS, the beneficial interest of said Deed of Trust was last transferred and assigned to Quicken Loans Inc. who is now the owner of said debt; and WHEREAS, the undersigned, Robin Lublin TN, PLLC, having been appointed as Substitute Trustee by instrument to be filed for record in the Register's Office of Madison County, Tennessee, NOW, THEREFORE, notice is hereby given that the entire indebtedness has been declared due and payable, and that the undersigned, Robin Lublin TN, PLLC, as Substitute Trustee or his duly appointed agent, by virtue of the power, duty and authority vested and imposed upon said Substitute Trustee will, on March 22, 2017 at 01:00 PM at the North Entrance of the Madison County Courthouse, located in Jackson, Tennessee, proceed to sell of public outcry to the highest and best bidder for cash or certified funds ONLY, the following described property situated in Madison County, Tennessee, to-wit: BEING LOT NO. 32, SECTION III, GREEN ACRES SUBDIVISION, A PLAT OF WHICH WHICH APPEARS OF RECORD IN PLAT BOOK 1, PAGE 186, REGISTER'S OFFICE OF MADISON COUNTY, TENNESSEE. Parcel ID: 122B A 0100 0003PROPERTY ADDRESS: The street address of the property is believed to be: 123 MERIDIAN DR., JACKSON, TN 38301. In the event of any discrepancy between this street address and the legal description of the property, the legal description shall control. CURRENT OWNERS: JAMES W. TURNER/OTHER INTERESTED PARTIES: The sale of the above-described property shall be subject to all matters shown on any recorded plat, any unpaid taxes, any restrictive covenants, easements or set-back lines that may be applicable; any prior liens or encumbrances as well as any priority created by a future filing; and to any matter that on an accurate survey of the premises might disclose. This property is being sold with the express reservation that it is subject to confirmation by the lender or Substitute Trustee. This sale may be rescinded at any time. The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, homestead, and dower are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including fitness for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Robin Lublin TN, PLLC, Substitute Trustee19 S. Main Street, Suite 300Memphis, TN 38103 www.rublinllpc.com/properties-listings.php Tel: (677) 813-9972Fax: (404) 601-5846 01/11/17 02/23/2017, 03/02/2017, 03/09/2017

### 000191218

### NOTICE OF SUBSTITUTE TRUSTEE'S SALE

WHEREAS, default has occurred in the performance of the covenants, terms and conditions of a Deed of Trust dated October 22, 2003, executed by CAROL SULLIVAN, SIMUEL SULLIVAN/OTHER INTERESTED PARTIES: The sale of the above-described property shall be subject to all matters shown on any recorded plat, any unpaid taxes, any restrictive covenants, easements or set-back lines that may be applicable; any prior liens or encumbrances as well as any priority created by a future filing; and to any matter that on an accurate survey of the premises might disclose. This property is being sold with the express reservation that it is subject to confirmation by the lender or Substitute Trustee. This sale may be rescinded at any time. The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, homestead, and dower are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including fitness for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Robin Lublin TN, PLLC, Substitute Trustee19 S. Main Street, Suite 300Memphis, TN 38103 www.rublinllpc.com/properties-listings.php Tel: (677) 813-9972Fax: (404) 601-5846 01/11/17 02/23/2017, 03/02/2017, 03/09/2017

### 000191208

### NOTICE OF SUBSTITUTE TRUSTEE'S SALE

WHEREAS, default has occurred in the performance of the covenants, terms and conditions of a Deed of Trust dated April 9, 2009, executed by JUDY M. BUSTAMANTE, converting certain real property therein described to MATT B. MURFRE, as Trustee, as same appears of record in the Register's Office of Madison County, Tennessee recorded April 16, 2009, in Deed Book T1855, Page 000191208

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**March 23, 2017**

**10:48 am**

MAR 23 10:49

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Woodridge of West Tennessee, LLC

I, Greg Sassman, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 20<sup>th</sup> day of March, 2017, witness my hand at office in the County of Davidson, State of Tennessee.

  
NOTARY PUBLIC

My commission expires September 11, 2017.





# Supplemental- #2 -Original-

Woodridge of West  
Tennessee, LLC

CN1703-011

March 27, 2017

Phillip M. Earhart  
Health Services and Development Agency  
Andrew Jackson Building, Ninth Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Certificate of Need Application CN1703-011  
Woodridge of West Tennessee, LLC

Dear Mr. Earhart:

Woodridge of West Tennessee's responses to your second supplemental questions are below.  
Please do not hesitate to contact me or Mr. Sassman if you have additional questions.

Sincerely,



Sarah Lodge Tally

**1. Section B, Need, Item 2.d Continuum of Care. (Psychiatric Inpatient Services-Service Specific Criteria-)**

What types of different settings and types of treatment are more appropriate after the typical acute level 14 day LOS and what is the availability of these types of settings and treatments within the applicant's service area.

*There are a range of settings and types of treatment available to psychiatric outpatients depending on the psychiatric outpatient's individual clinical treatment needs. These settings and types of treatment may range from a few individual services to a comprehensive full day program, from services that are primarily supportive in nature to a full day intensive treatment program.*

*In general to be covered by Medicare the psychiatric outpatient services must be incident to a physician's service, and reasonably necessary for the purpose of diagnosis or treatment of the patient's condition, reasonably expected to improve the patient's condition. Individual, group psychotherapy, family counseling sessions with physicians, social workers, psychiatric nurses, or other staff trained to work with individuals with mental disorders are most often offered in their office setting. Such services are available in the Jackson community through individual providers and are generally covered by Medicare. Activity therapies or programs that are primarily recreational, diversionary, or vocational training are generally not covered by Medicare.*

*An intensive outpatient program offers a lesser number of services provided to the member on fewer treatment dates, such as 3 hours per day 3 days per week as opposed to more highly structured partial hospitalization program 6 hours per day, 5 days per week. Intensive outpatient services often times also deal with outpatient substance abuse treatment, such services are offered in the Jackson community area, most notably by Pathways.*

*A psychiatric partial hospitalization program is provided by a hospital to psychiatric outpatients. A psychiatric partial hospitalization program has not been available in the Jackson community. The Applicant understands this need, is licensed for and is preparing to meet this need by opening such partial hospitalization program in the coming weeks. Psychiatric partial hospitalization services are a distinct and organized intensive ambulatory psychiatric treatment program with less than 24-hour daily care for patients who most often have been discharged from psychiatric inpatient hospital treatment. Applicant's partial hospitalization program will provide a highly structured 6 hours per day, 5 day a week program. Applicant's partial hospitalization program will includes an individualized plan of care, provided by a multi-disciplinary team approach under the care of a physician who certifies the patient's need for partial hospitalization and minimum of 20 hours per week of therapeutic services. The patient requires comprehensive, highly structured, multimodal treatment under medical supervision with an individualized plan of care because of a mental disorder that severely interferes with multiple areas of their daily life. Applicant's partial hospitalization program will be covered by Medicare.*

**2. Section B, Need, Item 16 Community Linkage Plan. (Psychiatric Inpatient Services-Service Specific Criteria-)**

Please provide the applicant's primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

**March 27, 2017****3:44 pm**

*The Applicant's participation in the community linkage plan consists of its active relationships with the appropriate health care system providers contributing to continuity of care. The Applicant does not provide workshops, or outreach prevention-based programs. Rather, the Applicant is an integral part of the area health care system. The Applicant is a provider of geriatric psychiatric inpatient services, and soon psychiatric partial hospitalization services. The area health care system providers, including hospitals, nursing homes, physicians, and others may look to Applicant when they have a geriatric patient in need of psychiatric inpatient care or psychiatric partial hospitalization care. Patients discharged from the partial program may step up to an inpatient level of care because they require 24-hour supervision, or step down, link to a less intensive level of outpatient care in the community if their condition improves or stabilizes. The Applicant's social services and discharge planning staff are knowledgeable of community resources and may assist the patient in linking up with resources as applicable.*

*The Applicant is uniquely positioned to expand and meet the community's need for additional geriatric psychiatric inpatient beds, as well as outpatient partial hospitalization services. The Applicant is a participant in the area health care system and has active relationships with community providers, contributing to continuity of care for its patients.*

### **3. Section C. Need, Item 5**

Your response to this item is noted. However, the occupancy rates for Western Mental Institute, Pathways, and Behavioral Health Center at Martin appear to be incorrect. Please revise.

*A revised chart is below.*

Provider	County	Patient Days			Occupancy Rate		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	47,895 (1,276 geriatric)	43,483 (1,301 geriatric)	46,855 (1,600 geriatric)	87%	79%	86%
Pathways	Madison	2,959 (39 geriatric)	3,706 (61 geriatric)	3,245 (85 geriatric)	32%	41%	36%
Behavioral Health Center at Martin	Weakley	4,278	4,273	3,455	73%	73%	59%

Provider	County	Admissions			Average Length of Stay		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	975	1,012	1,046	49 days	43 days	44.8 days
Pathways	Madison	607	706	753	4.9 days	5.3 days	4.2 days
Behavioral Health Center at Martin	Weakley	270	231	210	15.8 days	20.5 days	16.5 days

**March 27, 2017****3:44 pm****4. Section C, Need, Item 6**

The Projected Inpatient Utilization table for Year One and Year Two is noted. However, the 2019 proposed 16 bed unit occupancy of 50% appears incorrect. Please clarify.

*The 2019 occupancy percentage was a mathematical error. A revised chart is below.*

<b>Variable</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
<b>Ages 65+ Psych Licensed Beds</b>	<b>Existing 16 beds</b>	<b>Existing 16 Beds</b>	<b>Proposed 16 Beds</b>	<b>Proposed 16 Beds</b>
<b>Ages 65+ Psych. Admissions</b>	313	313	209	250
<b>Ages 65+ Psych. Pat. Days</b>	4380	4380	2925	3504
<b>Ages 65+ Psych ALOS</b>	14	14	14	14
<b>Ages 65+ Psych ADC</b>	12	12	8	9.6
<b>Ages 65+ % Lic. Occ.</b>	75%	75%	50%	60%

**5. Section C. Economic Feasibility Item 1 Project Costs Chart**

It is noted the applicant owns the space for the proposed 16 bed geriatric unit. In the Project Costs Chart please include the fair market value of the 6,820 SF NW Wing of the 1<sup>st</sup> Floor. Please submit a revised Project Costs Chart.

*A revised Project Costs Chart is attached.*

**6. Section C. Economic Feasibility Item 3 and 4 (Historical and Projected Data Chart)**

The Projected Data Charts are noted. Please remove totals for "D.1. Salaries and Wages". Please provide totals for "D.1.a. Direct Patient Care" and "D.1.b. Non-Patient Care" rows only and submit.

*Revised charts are attached.*



**March 27, 2017****3:44 pm****PROJECT COST CHART**

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	\$10,000
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$25,000
3.	Acquisition of Site	_____
4.	Preparation of Site	_____
5.	Total Construction Costs	\$147,490
6.	Contingency Fund	\$10,000
7.	Fixed Equipment (Not included in Construction Contract)	_____
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	_____
9.	Other (Specify) _____	_____
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	\$ 579,700
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) _____	_____
5.	Other (Specify) _____	_____
C. Financing Costs and Fees:		
1.	Interim Financing	_____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	\$192,490
E.	CON Filing Fee	\$15,000
F.	Total Estimated Project Cost (D+E)	<b>TOTAL \$787,190</b>

**March 27, 2017****3:44 pm****PROJECTED DATA CHART**
☐ Total Facility  
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

	<b>Year 1</b>	<b>Year 2</b>
A. Utilization Data (patient days)	2,925	3,504
B. Revenue from Services to Patients		
1. Inpatient Services	\$4,399,200	\$5,270,016
2. Outpatient Services	_____	_____
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
<b>Gross Operating Revenue</b>	<b>\$4,399,200</b>	<b>\$5,270,016</b>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$2,354,785	\$2,879,006
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	\$40,790	\$50,458
<b>Total Deductions</b>	<b>\$2,395,575</b>	<b>\$2,869,776</b>
<b>NET OPERATING REVENUE</b>	<b>\$2,003,625</b>	<b>\$2,400,240</b>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	\$547,134	\$667,801
b. Non-Patient Care	\$175,632	\$234,633
2. Physician's Salaries and Wages	\$216,000	\$260,000
3. Supplies	\$162,877	\$197,794
4. Rent		
a. Paid to Affiliates	_____	_____
b. Paid to Non-Affiliates	_____	_____
5. Management Fees:		
a. Paid to Affiliates	_____	_____
b. Paid to Non-Affiliates	_____	_____
6. Other Operating Expenses	\$280,406	\$350,473
<b>Total Operating Expenses</b>	<b>\$1,382,049</b>	<b>\$1,710,701</b>
E. Earnings Before Interest, Taxes and Depreciation	\$621,576	\$689,539
F. Non-Operating Expenses		
1. Taxes	\$ _____	\$ _____
2. Depreciation	\$62,076	\$67,596
3. Interest	_____	_____
4. Other Non-Operating Expenses	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$62,076</b>	<b>\$67,596</b>
<b>NET INCOME (LOSS)</b>	<b>\$559,500</b>	<b>\$621,943</b>

*Chart Continues Onto Next Page*

**March 27, 2017****3:44 pm**

<b>NET INCOME (LOSS)</b>	<b>\$559,500</b>	<b>\$621,943</b>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	\$ _____	\$ _____
2. Annual Capital Expenditure	\$1,100,000	\$50,000
<b>Total Other Deductions</b>	<b>\$1,100,000</b>	<b>\$50,000</b>
<b>NET BALANCE</b>	<b>\$(540,500)</b>	<b>\$571,943</b>
<b>DEPRECIATION</b>	<b>\$79,506</b>	<b>\$120,000</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$(460,994)</b>	<b>\$691,943</b>

☐ Total Facility  
☒ Project Only

### PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<b>Year 1</b>	<b>Year 2</b>
1. Employee Benefits	\$129,538	\$158,685
2. Advertising and Marketing	\$10,000	\$15,000
3. Purchased Services (legal, accounting, etc.)	\$81,438	\$98,897
4. Recruiting and Relocation	\$2,400	\$3,600
5. Travel	\$6,000	\$8,750
6. Repairs and Maintenance	\$5,250	\$8,544
7. Utilities	\$21,988	\$26,702
8. Insurance	\$8,918	\$10,829
9. Property Taxes	\$2,111	\$2,449
10. Other (postage, office supplies, etc.)	\$12,763	\$17,017
<b>Total Other Expenses</b>	<b>\$280,406</b>	<b>\$350,473</b>

**March 27, 2017****3:44 pm****PROJECTED DATA CHART**
☒ **X Total Facility**  
☐ **Project Only**

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

	<b>Year 1</b>	<b>Year 2</b>
A. Utilization Data (patient days)	9,369	12,264
B. Revenue from Services to Patients		
1. Inpatient Services	\$10,842,700	\$14,029,395
2. Outpatient Services	\$546,000	\$1,310,400
3. Emergency Services		
4. Other Operating Revenue (Specify) _____		
<b>Gross Operating Revenue</b>	<b>\$11,388,700</b>	<b>\$15,339,795</b>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$4,994,880	\$6,734,771
2. Provision for Charity Care		
3. Provisions for Bad Debt	\$160,758	\$222,421
<b>Total Deductions</b>	<b>\$5,155,638</b>	<b>\$6,957,192</b>
<b>NET OPERATING REVENUE</b>	<b>\$6,233,062</b>	<b>\$8,382,603</b>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	\$2,192,117.71	\$2,787,568.18
b. Non-Patient Care	\$476,508.09	\$616,974.85
2. Physician's Salaries and Wages	\$602,943	\$792,594
3. Supplies	\$404,711.80	\$528,635.76
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses	\$878,124.27	\$1,100,733.25
<b>Total Operating Expenses</b>	<b>\$4,554,404.87</b>	<b>\$5,826,506.04</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$1,678,657.13</b>	<b>\$2,556,096.96</b>
F. Non-Operating Expenses		
1. Taxes	\$	\$
2. Depreciation	\$326,888	\$449,579
3. Interest		
4. Other Non-Operating Expenses		
<b>Total Non-Operating Expenses</b>	<b>\$326,888</b>	<b>\$449,579</b>
<b>NET INCOME (LOSS)</b>	<b>\$1,351,769.13</b>	<b>\$2,106,517.96</b>

*Chart Continues Onto Next Page*

**March 27, 2017****3:44 pm**

<b>NET INCOME (LOSS)</b>	<b>\$1,351,769.13</b>	<b>\$2,106,517.96</b>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	\$ _____	\$ _____
2. Annual Capital Expenditure	\$2,445,250	\$160,000
<b>Total Other Deductions</b>	<b>\$2,445,250</b>	<b>\$160,000</b>
<b>NET BALANCE</b>	<b>(\$1,093,480.87)</b>	<b>\$1,946,517.96</b>
<b>DEPRECIATION</b>	<b>\$326,888</b>	<b>\$449,579</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>(\$776,592.87)</b>	<b>\$2,396,096.96</b>

☒ Total Facility☐ Project Only**PROJECTED DATA CHART-OTHER EXPENSES**

<b><u>OTHER EXPENSES CATEGORIES</u></b>	<b>Year 1</b>	<b>Year 2</b>
1. Employee Benefits	\$488,096	\$605,572
2. Advertising and Marketing	\$25,000	\$34,457
3. Purchased Services (legal, accounting, etc.)	\$183,224.40	\$232,817.88
4. Recruiting and Relocation	\$6,600	\$8,691
5. Travel	\$20,000	\$26,207
6. Repairs and Maintenance	\$18,137	\$26,063
7. Utilities	\$77,196.37	\$90,090.16
8. Insurance	\$24,533.50	\$30,406.21
9. Property Taxes	\$4,267	\$5,007
10. Other (postage, office supplies, etc.)	\$31,070	\$41,422
<b>Total Other Expenses</b>	<b>\$878,124.27</b>	<b>\$1,100,733.25</b>

MAR 27 '17 PM 3:44

**SUPPLEMENTAL #2**

**March 27, 2017**

**3:44 pm**

**AFFIDAVIT**

STATE OF TN

COUNTY OF Madison

Gregory Saksman, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Gregory Saksman  
SIGNATURE/TITLE

Sworn to and subscribed before me this 27 day of March, 2017 a Notary  
(Month) (Year)

Public in and for the County/State of Madison TN

Christy B. Allen  
NOTARY PUBLIC

My commission expires 10-24, 18  
(Month/Day) (Year)



# Supplemental #3

Woodridge of West TN,  
LLC

CN1703-011

MAR 29 '17 AM 11:12

**SUPPLEMENTAL #3**

March 29, 2017  
11:12 am  
Sarah L. Tally  
(615) 238-6332 Phone  
(615) 687-8332 Fax  
stally@bonelaw.com

March 28, 2017

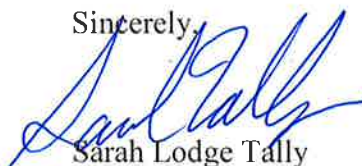
Phillip M. Earhart  
Health Services and Development Agency  
Andrew Jackson Building, Ninth Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Certificate of Need Application CN1703-011  
Woodridge of West Tennessee, LLC

Dear Mr. Earhart:

Woodridge of West Tennessee's responses to your third supplemental questions are below. Please do not hesitate to contact me or Mr. Sassman if you have additional questions.

Sincerely,



Sarah Lodge Tally



**March 29, 2017****11:12 am****1. Section C. Need, Item 5**

Your response to this item is noted. However, the occupancy rates for Western Mental Institute appear to be incorrect. The applicant calculated the licensed occupancy on 150 staffed beds rather than 187 licensed beds. Please verify the following licensed Western Mental Health Institute occupancy rates for 2013, 2014, and 2015 using 187 licensed beds in the calculation.

	<b>Licensed Occupancy</b>		
<b>Provider</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Western Mental Health Institute	70.2%	63.7%	68.6%

*The applicant verifies that those occupancy rates are correct. A revised chart is below.*

<b>Provider</b>	<b>County</b>	<b>Patient Days</b>			<b>Occupancy Rate</b>		
		2013	2014	2015	2013	2014	2015
Western Mental Health Institute	Hardeman	47,895 (1,276 geriatric)	43,483 (1,301 geriatric)	46,855 (1,600 geriatric)	70.2%	63.7%	68.6%
Pathways	Madison	2,959 (39 geriatric)	3,706 (61 geriatric)	3,245 (85 geriatric)	32%	41%	36%
Behavioral Health Center at Martin	Weakley	4,278	4,273	3,455	73%	73%	59%

**2. Section C. Economic Feasibility Item 1 Project Costs Chart**

It is noted the fair market value of the 6,820 SF NW Wing of the 1<sup>st</sup> Floor is now included in the Project Costs Chart. However, there are errors in line "D. Estimated Project Cost". Please correct and submit a revised Project Costs Chart.

*A revised Project Costs Chart is attached.*

AFFIDAVITSTATE OF TNCOUNTY OF Madison

Gregory Sassman, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Gregory Sassman  
SIGNATURE/TITLE

Sworn to and subscribed before me this 28 day of March, 2017 a Notary  
(Month) (Year)

Public in and for the County/State of Madison, TN

Christy B. Allen  
NOTARY PUBLIC

My commission expires 10/24, 2018  
(Month/Day) (Year)



**PROJECT COST CHART**

MAR 29 '17 AM 11:12

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	\$10,000
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$25,000
3.	Acquisition of Site	_____
4.	Preparation of Site	_____
5.	Total Construction Costs	\$147,490
6.	Contingency Fund	\$10,000
7.	Fixed Equipment (Not included in Construction Contract)	_____
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	_____
9.	Other (Specify) _____	_____
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	\$ 579,700
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) _____	_____
5.	Other (Specify) _____	_____
C. Financing Costs and Fees:		
1.	Interim Financing	_____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	\$772,190
E.	CON Filing Fee	\$15,000
F.	Total Estimated Project Cost (D+E)	<b>TOTAL \$787,190</b>